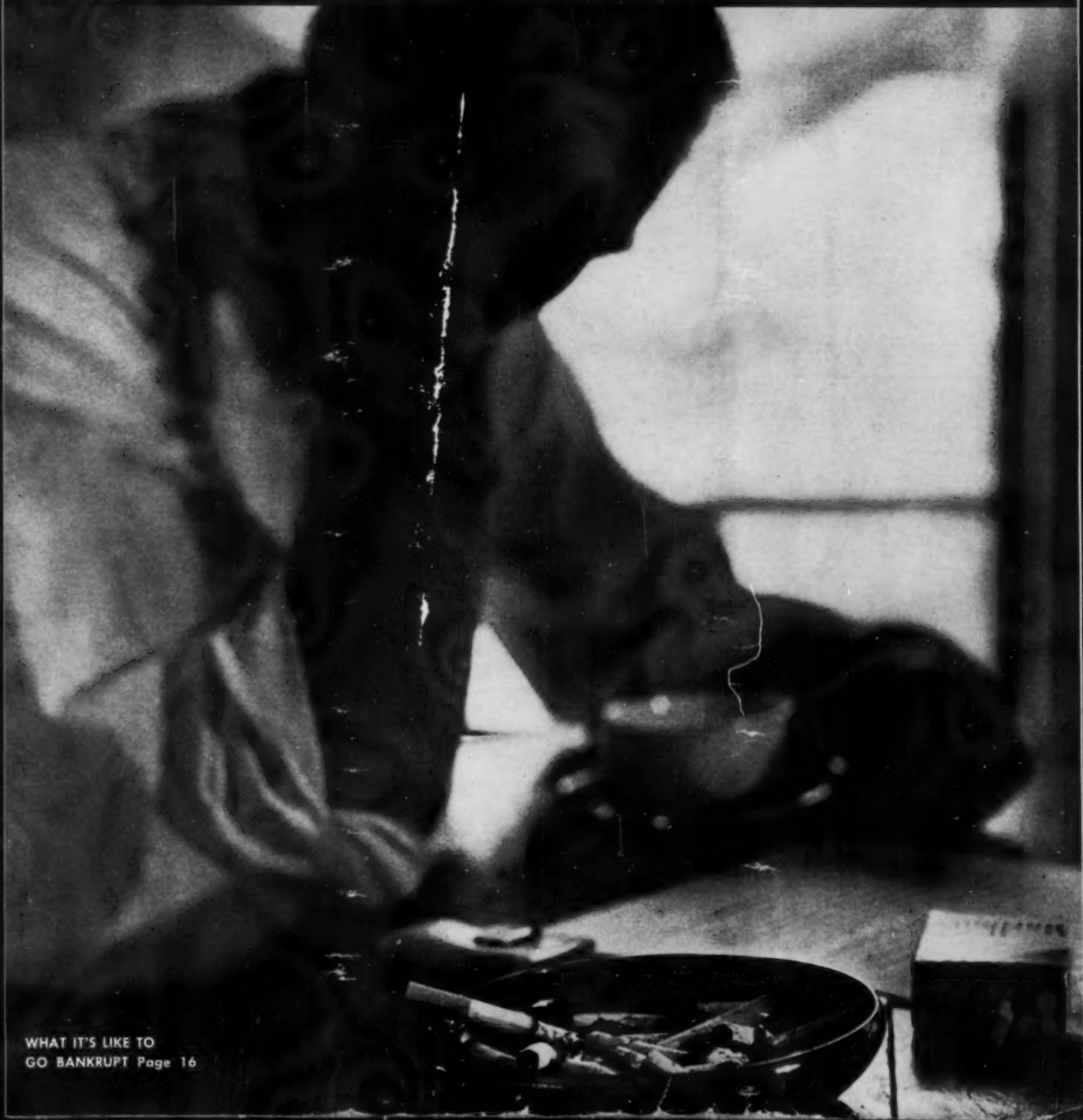


THE

# Credit Union

OFFICIAL PUBLICATION OF THE CREDIT UNION NATIONAL ASSOCIATION, INC.

WHAT IT'S LIKE TO  
GO BANKRUPT Page 16



## ON THE COVER

Thousands of persons whose financial affairs are hopelessly tangled are seeking relief in bankruptcy courts. For a story of a day in a typical court and some opinions of a veteran bankruptcy referee, see page 16.



# The Credit Union Bridge

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## COMING SOON

Training new employees

Efficient office layout

MAILING REPORTS to directors and committeemen two weeks in advance helps streamline board meetings, says Frances Smith, assistant treasurer, ANECA Federal Credit Union.



## PREPARING FOR BOARD MEETINGS

*Planning for monthly sessions results in more productive leadership, according to ten credit unions from six league areas*

**F**AILURE TO PREPARE for the monthly board meeting is wasteful, inefficient and discourteous," says a veteran credit union official. "It's impossible to operate a credit union efficiently without planning the meeting agenda in advance. In addition, respect for the board members' time makes detailed meeting preparation a must. Twenty-five years as a board member have taught me that the more thorough the planning, the better are the chances for a productive meeting."

Preparations for monthly board meetings vary substantially in scope and content, a recent study by THE

BRIDGE shows. Some credit unions put detailed reports and statistics into the directors' hands a week to ten days in advance of the meeting. Others mail some advance reports to the board and retain the rest for inspection at the meeting. And a few forward no advance data.

Ten credit unions in six league areas participated in this survey. They vary in age from four to thirty-four years; in members from 321 to 3,441; and in assets between \$168,000 and \$2.3 million. All make some preparations for the monthly board meeting.

But the time they spend on this varies sharply. Three spend four hours or less; two need twelve man hours for their preparations. Overall average for the ten groups is close to seven hours.

Three basic suggestions came out of these interviews:

**Assign responsibility.** Responsibility for board meeting preparations should be specifically assigned. It helps to spell out in detail each individual item to be prepared.

**Set a time schedule.** A specific time should be set aside for beginning and completing the monthly meeting

preparations. More and more credit unions start their preparations at the conclusion of the previous month's meeting.

#### **Make advance distribution.**

Board members who receive the monthly minutes, reports and other statistical data before the meeting, say they (1) are better prepared to take an active part in the meeting; (2) save time; and (3) hold more productive meetings.

Here are the detailed board meeting preparations of the ten participating credit unions:

**Alliance C.B. & Q. Employees Credit Union**, a railroad workers' group in Alliance, Nebraska (organized: 1936; members: 1,510; assets: \$1.1 million) begins its meeting preparations immediately after the first of the month. Total time needed for all preparations—spent over several days—is eight hours. Overall responsibility for preparations is assigned to the treasurer.

**Notice.** Five days before the monthly meeting, a notice is sent to the homes of all board members and committeemen, informing them of the meeting time and place. With it

goes the financial statement for the previous month. The first sheet of this three-page statement compares the last month's receipts and disbursements to those of a year earlier.

**Delinquent Loan Committee.** One week before the board meeting, the delinquent loan committee of three directors reviews all loans which are one or more months in arrears. The treasurer has previously prepared an itemized report of all delinquencies as of the beginning of the current month. Three copies permit simultaneous study by the three committeemen.

The committee's recommendations of legal or other action are referred to the full board at its meeting.

Comments treasurer Harold E. Wingstad: "This delinquency review prior to the meeting of the full board saves our directors a substantial amount of time and simplifies the handling of delinquencies. It also eliminates the possibility that the pressure of time might result in inadequate delinquent loan examination."

**Meeting folders.** Each director and committeeman has a folder at the meeting which contains the agenda, loan purpose report, list of expenses

and delinquent loan reports. Papers are loose, to be taken home by the official family, except the delinquent loan report, which together with those for the previous twelve months are fastened into the folders. These folders are returned to the credit union office after the meeting. Explains a board member: "This way, confidential information will not fall accidentally into the hands of unauthorized persons."

**Delinquent Loan Report.** This monthly report to the board covers only loans which are in arrears two months or more. It includes the book number, name, date of loan, date of last payment, amount of original loan, unpaid balance, dollar amount delinquent, amount which has been paid since the first of the current month, and any action taken since the first of the month by either the member or the credit union.

#### **Expenses Listed**

**List of Expenses.** In their folders C.B. & Q. board and committee members find an itemized list of expenses for the previous month. This list is prepared by the assistant treasurer on the afternoon preceding the meeting.

**Loan Purpose Report.** On the day of the meeting, C.B. & Q.'s staff prepares a list of the purposes of the loans which the credit committee approved during the preceding month. This is easy because office staff fills in a "loan purpose" report form at the time each loan is disbursed.

**Agenda.** The agenda contains a complete list of (1) names and account numbers of new members; (2) names and account numbers of joint membership agreements; and (3) names and numbers of accounts closed during the previous month together with reasons for closing.

**ANECA Federal Credit Union** of Shreveport, Louisiana (organized: 1939; members: 2,672; assets: \$1.1 million) serves employees of Arkansas-Louisiana Gas Company and three affiliates in thirteen southern states.

Preparations at ANECA begin at the end of the previous meeting and take about twelve hours. The assistant treasurer maintains an open file basket for all items which need referral to the board.

**Financial and Statistical Report.** On the seventh of each month, ANECA mails a comparative financial and



## **Top Men in Cuna School '61 Class**

H. Vance Austin, CUNA managing director, chats with class president Frank Clark of Potlatch No. 1 Federal Credit Union, Lewiston, Idaho, and the valedictorian, the Rev. John Romoser of Rock River (Methodist) Conference Credit Union, Evanston, Illinois, before graduation of the 1961 CUNA School for Credit Union Personnel at University of Wisconsin. Seventy finished the three-year course.





**BUDGET REPORTS** should go to board members, says treasurer Dick Grant of Pease Air Force Base Federal Credit Union.



**A DAILY RECORD BOOK** is a big help to Mrs. Jeannette G. Morin of St. John's (Brunswick) Federal Credit Union.



**DIVIDE MEETING PREPARATIONS** between manager and treasurer, says Al Rubin, treasurer of Polaroid Employees' Credit Union.

statistical report to each director and committeeman. This is usually two weeks before the meeting. The report shows these data for the end of the last month and a year earlier: assets, liabilities, income, expense, number of members, number of loans, loans made since organization, number of loans overdue two months or more, loans charged off since organization, U.S. bonds sold since organization, and amount recovered on charged-off loans.

"Getting our reports into the mail two weeks before the board meeting," says ANECA president Elgia C. Giles, "helps us to speed up the meeting quite a bit. We like to have well-informed directors and committeemen. These advance reports give us the time we need for discussing major operational and policy matters. The result is better service to the members."

Giles takes five minutes to list the items which he wants to bring up "so I won't have to waste the members' time and stutter around to formulate my thoughts."

**Newco Credit Union** (organized: 1953; members: 321; assets: \$168,247) serves the employees of Simplex Wire and Cable Company in Newington, New Hampshire. The treasurer maintains a folder in which he places all communications and other items to be considered at the next meeting. Preparation of monthly reports be-

gins on the fourth working day of the month and requires approximately eight hours.

*Secretary's Minutes.* Five days before the meeting, Newco distributes the following to all directors, supervisory committeemen, credit committeemen, and the office manager: (1) financial statement—including comparative balance sheet (previous month and beginning of the year), and profit and loss statement (current month, previous month, year ago); (2) schedule of delinquent loans with name, account number, date of last payment, original amount of loan, unpaid balance by grouping (two to six months, six to twelve months, twelve months and over), and comments; (3) secretary's minutes of the last meeting; (4) agenda for the coming meeting.

#### **Reports Are Valuable**

"Our board finds the advance reports of substantial value," says Newco treasurer Maurice S. Aiken. "They help the directors to prepare themselves for the meeting. They also reduce the time spent on non-essential items and make it possible to pay more detailed attention to problems and projects of major importance."

Newco's principal time-saving lies in the area of the financial statement and in the discussion of delinquent loans. Advance reading of the statistics, minutes and agenda enables the

board to develop its questions and prepare itself for the items listed under old and new business.

**New Hampshire State Employees Federal Credit Union** in Concord, New Hampshire (organized: 1941; members: 3,441; assets: \$2.4 million) starts its preparations at the end of the previous meeting and keeps a folder for items to be put on the monthly board agenda. The treasurer is charged with making meeting plans. Preparation time for this group is eight hours.

One week before the monthly board meeting, the credit union mails these items to all directors and committee chairmen: financial statement, minutes of previous meeting, complete list of delinquent loans (by name, age of loan, amount, share balance), and list of new members and closed accounts.

"The advantage of mailing this information to the board members and committee chairmen," comments treasurer Arthur Lavoy, "is that they know the financial condition of the credit union and save a very substantial amount of time. We review delinquent loans individually during alternating months. And our minutes for the previous meeting are not read unless there is a correction."

**Pease Air Force Base Federal Credit Union** in New Hampshire (organized: 1957; members: 2,853; assets: \$803,000) spends four hours

monthly in board meeting preparations under the treasurer's direction. A folder is maintained for items to be brought to the board's attention.

These items are stapled together and distributed to each board member at the monthly meeting:

- (1) Recommended agenda;
- (2) Minutes of previous meeting;
- (3) Financial and statistical report;
- (4) Comparative financial and statistical report, showing figures one month and one year ago;
- (5) Highlights of the month's progress in brief sentences with supporting figures. (If the business of the month takes an exceptional turn, the treasurer explains the reasons.) Loans, shares, members (new and closed accounts), and delinquencies are covered,
- (6) Detailed list of expenses for the month;
- (7) Detailed report of delinquencies and their progress (This report includes all loans which are in arrears one month or more, states the individual members' shares, contains a column for remarks and another for treasurer's comments);
- (8) Brief recommendations concerning individual delinquent accounts, listing each on a separate sheet;
- (9) Analysis of loans granted during the previous month, arranged according to their purpose;

(10) Report on the status of the budget—including budgeted amount, actual income and expense, relation of actual income and expense to anticipated earnings and expense; and

(11) Statement of developments anticipated during the coming month.

**Polaroid Employees' Federal Credit Union** in Cambridge, Massachusetts (organized: 1954; members: 2,262; assets: \$1.3 million) divides board meeting preparations between the manager and the treasurer. Time spent in preparation: one full day for the manager; three to four hours for the treasurer. Both manager and treasurer keep a log sheet on which they enter items which should be brought to the board's attention.

The manager prepares these meeting items: (1) list of new members, (2) financial statement, (3) list of bills which need approval, (4) list of all accounts which were closed during the preceding month (showing name, number, amount and reason). He also prepares (5) a breakdown of the total membership by payroll categories and

outside (family) accounts—compared to the previous month, (6) a list of delinquent loans and (7) a list of loans paid during the last month. (This list includes the member's payroll number, name and note number—items which are helpful to the auditing committee.)

Polaroid's treasurer is responsible for completing the following monthly recommendations and reports: (1) changes in investments, (2) special expenditures (office equipment, etc.), (3) accounts which should be turned over to collection agency (after all other efforts have been exhausted), (4) employee salary increases, (5) status of the budget; and (6) list of shares, loans, investments and investment income, showing the progress for each of the past twelve months.

**Putney Credit Union**, a community group in Putney, Vermont (organized: 1946; members: 837; assets: \$259,307), spends from four to five hours on board meeting preparation. It mails all reports to the directors three days in advance of the meeting—except the monthly analysis of delinquencies.

These are the items which Putney's treasurer sends to his board:

*Comparative Financial and Statistical Report.* This report lists data for

the end of each of the last two months and for one year ago. It includes a breakdown of loans (current, plus three delinquent categories), assets, liabilities, income and expenses.

*Loan Report.* This lists the loans made during the last month, arranged by account number, cash amount of loan, total amount of outstanding loan, purpose, security if any, total amount loaned during the month, and total amount repaid during the month.

Also included in the monthly reports is a list of new members and their account numbers. And semi-annually, the board receives a budget comparison. This report is divided into four parts: anticipated expenses for the entire year, scheduled expenses for the previous six-month period, actual expense, and plus or minus balance.

Putney Credit Union formerly listed the names of the borrowing members on its monthly report of new loans. At that time it did not send the reports to the homes of the directors in advance of the meeting. Now it deletes the names and merely identifies all borrowers by account number. The new procedure preserves privacy while giving the board a chance to study loans more carefully.

"We want to have our meeting time available for important policy considerations," says Russell W. Ellis, president of Putney Credit Union. "With the reports in our hands before the meeting, we don't use meeting time for routine details."

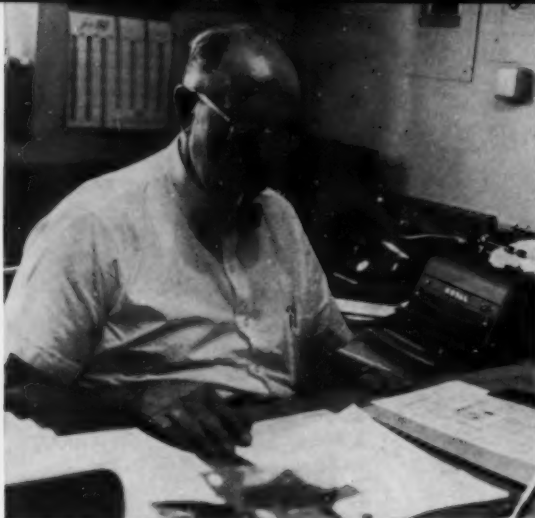
**Solvay Employees Federal Credit Union** in Baton Rouge, Louisiana (organized: 1950; members: 785; assets: \$681,546), divides responsibility for board meeting preparation between the treasurer and president. It usually takes them four hours and one hour, respectively.

The treasurer is responsible for the financial and statistical report, insurance claims report, delinquent member contact report, comparative growth statement for the current month compared with one year ago (showing expenses, members, shares, earnings and assets), and special studies which may be requested by the board.

Solvay's president maintains a list of educational, operational and policy topics for consideration at board meetings. After discussing individual topics with a cross section of the membership, he determines which items should be put on the monthly

LOAN PURPOSE	
Note # _____	Book No. _____ Date _____
Purchase New Automobile	\$ _____
Purchase Used Automobile	\$ _____
To Pay Taxes	\$ _____
To Purchase Furniture	\$ _____
For Vacation Expense	\$ _____
For Medical Expense	\$ _____
For Funeral Expense	\$ _____
For Debt Consolidation	\$ _____
For Investment	\$ _____
For Tuition Expense	\$ _____
Emergency Travel Expense	\$ _____
Other Emergency Expense	\$ _____
To Repair Auto	\$ _____
Repairs to Home	\$ _____
To Pay Insurance Premiums	\$ _____
_____	\$ _____
_____	\$ _____

Loan Purpose form helps Alliance C B & O Employees' Credit Union make monthly loan purpose report.



**DELINQUENT LOAN** committee meets just beforehand to reduce directors' work load, says Harold E. Wingstad of Alliance C B & Q Employees' Credit Union.



**FINDING INTERESTING SPEAKERS** is a part of meeting preparation, say Jesse Fairchild, director, and Joseph Brueck, president, Solvay Employees' Federal Credit Union.

agenda. These are taken up at the meeting in order of their importance. Any of the topics on the agenda not discussed because of lack of time are held over for a later meeting.

"It is important that each board member keep his own record of the topics which have been and which should be discussed," says Solvay president Joseph D. Brueck. "Then he can see to it that we don't forget or overlook an item which needs further consideration. The success of our board is based on teamwork. All directors take a share in administering and planning the affairs of our credit union."

Planning for guest speakers at alternating board meetings is another responsibility of Solvay's president. Comments Brueck: "These guest speakers make our directors' meetings more meaningful."

**Railroad Workers Credit Union of Maine** in Portland, Maine (organized: 1927; members: 1,672; assets: \$1 million has charged its president with all board meeting preparations.

"It takes me usually from one to four hours to get ready for a meeting," says Harold J. Foster, president. "My work starts about ten to fifteen days before the new meeting. It consists primarily of (1) reviewing the financial statement to see whether there are any points which need explanation, (2) examining the previous meeting's minutes to see whether there remains any unfinished business, and (3) preparing recommendations for

board action on delinquent loans."

Railroad Workers Credit Union sends out a legal notice to all board members seven days prior to the meeting. The call lists the topics which will be considered. At the meeting, each board member receives the financial and statistical report as well as copies of all special projects which are presented to the directors.

**St. John's (Brunswick) Federal Credit Union** in Brunswick, Maine (organized: 1941; members: 2,127; assets: \$1.2 million), has assigned board meeting preparations to the treasurer. Each board member receives a telephone reminder on the day before the meeting, although the meeting date has been set well in advance.

#### **Daily Record**

The treasurer keeps a daily record book open on her desk at all times, so it's easy to write down every item which should be brought to the board's attention. Typical items include: investment signature cards, loan requests from other credit unions, mailing ideas which develop as a result of contacts and correspondence with other leagues and credit unions, any correspondence which should be read to the board, and all committee reports.

"At the end of the month I go over the daily record sheets day-by-day and place each item on the meeting agenda in its appropriate place," says treasurer-manager Jeannette G. Morin. "It is really a very simple system. After entering an item on the

agenda, I cross it off the record book. This helps me to make sure that I don't overlook a notation."

St. John's Credit Union furnishes each director with these materials at the monthly meeting: (1) carbon copy of the agenda (which anticipates reports from each of these committees—direct mailing, supervisory, insurance, building, regional planning and education); (2) league newsletter; (3) sample material received from CUNA and CUNA Supply during the preceding month; (4) delinquency report (listing name and account number of the member, as well as details to help the board understand the reasons for the arrears in payments, the course of action taken previously and recommendations for further action, if necessary).

Not distributed, but available for inspection, are these reports which the treasurer reads to the directors: comparative financial and statistical report, giving the data for now and a year ago; comparative expense statement showing the expenditure items for the two previous months, and a list of new members and closed share accounts.

Each director of this credit union is presented with a briefcase. Explains treasurer Morin: "Without the briefcase, they would lose too many credit union reports and would frequently be unable to find earlier records. We find that our briefcases keep the credit union materials in one convenient spot. This helps our board to do a better job of analyzing and comparing our statistics."



tired?  
 need help?  
 wish other  
 officers,  
 directors,  
 committeemen  
 would  
 do more?  
 send them  
**BRIDGE**  
 at home  
 every month.  
 they'll get  
 inspiration  
 information  
 how-to ideas  
 —they'll  
 do more  
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 credit union!  
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-----  
 YES! Please send Bridge every month  
 to the attached list, at \$2 each per  
 year.

☐ Check enclosed. ☐ Bill us

Credit Union \_\_\_\_\_

Address \_\_\_\_\_

City, State or prov.  
 (Be sure to enclose list.) \_\_\_\_\_

FROM THE MANAGING DIRECTOR:

## October 19: Credit Union Day!



**E**VERY YEAR, this day becomes more important to the people of the credit union movement! This year Credit Union Day will be celebrated in more countries than ever before—and next year the number of countries with Credit Union Day celebrations will be even greater!

### Public-Member Relations Value

The parades, the meetings, the banners, the publicity in newspapers and on radio and TV and the general display made by the credit union movement on Credit Union Day—all definitely have a public relations value that helps all of the credit union movement, not just those credit unions participating. And, as there is a better image of our movement in the eyes of the public, our own members are even prouder of their credit unions and more eager to work to expand the credit unions.

### Credit Union Day is Emphasis

The observances of Credit Union Day tend to emphasize many important aspects of the credit union movement: 1) The volunteer aspect of the credit union movement is emphasized over and over again—that the people who actually control the credit union movement are volunteers and are working in the credit union movement because of their desire to serve their fellow man. 2) The group “self-help” idea of the credit union movement is emphasized. Credit union people are those who are helping themselves by helping each other! One of the slogans of the early day credit union movement was “The Lord Helps Those Who Help Each Other.”

3) Emphasis is on the necessity of personal saving—that every

member must save, and save regularly and substantially, in order that he and all other members can have access to low cost loans from their own credit unions! 4) Emphasis is made of the fact that credit unions are good for not only members, but for employers and the communities as well.

### Around the World

You have undoubtedly seen CUNA's color movie, *The People of Koveu*. The people pictured there, credit union members of the Fiji Islands, will be celebrating Credit Union Day with as much enthusiasm as will the people of the North American Continent!

Undoubtedly you read in the *Reader's Digest* or the *Saturday Evening Post* of the credit unions of Peru—those credit union people will be celebrating with all the other credit union members of the world. There will be Credit Union Day observances in Africa, Australia, Ireland, The Philippines and many other places this year—and many more next year!

In many of the developing areas of the world Credit Union Day celebrations will carry the theme that here is a technique whereby the people in the native villages can accumulate capital that will help them raise their own standards of living. Further than that, they can actually operate their credit union businesses, giving themselves valuable leadership training.

Credit union people around the world use this day to point up their gratefulness for their credit unions, and to tell all the rest of the people of the world that they, too, can use this same “do-it-yourself” technique in group finance!

**H. Vance Austin**





TWO EDITORS OF THE DIKE plan the next issue. Left is Evert Van Wessenaar, chief editor, and seated is Jan Vander Stam, an associate editor and manager of the Holland Calgary Savings and Credit Union, Ltd.

# MEMBERSHIP PUBLICATIONS

*A magazine published by a group of Dutch immigrants shows how valuable a publication can be to any credit union as an education and public relations aid.*

AN INDUSTRIAL worker in the mid-western United States recently told a BRIDGE reporter that he had been a credit union member since 1937. He had changed jobs several times, and on every job he had joined the credit union as a matter of course. But in nearly a quarter-century of membership this worker did not learn much about credit unions.

He did not know what the interest

rate was, though he understood it was lower than most lenders charged. He did not know the credit union's dividend rate, and in fact did not really know it paid a dividend. He knew that once a year a small adjustment was made in his favor on his account, but he didn't really know why.

He never considered the credit union a savings institution, and said he had never been encouraged to save.

He knew he had to have \$5 in the credit union before he could borrow, but he didn't know that \$5 represented a "share," or what a share was.

All he really knew was that he could go to the credit union office and borrow \$50 or \$100 without trouble when he needed it, and that payments would be deducted from his paycheck every two weeks. He more or less understood that the credit union was

"a good deal."

It is hard to say how typical this worker is, or how typical his credit union is. The credit union to which he has belonged for ten years is considered a good one.

Its ratio of membership to potential membership is high. It has a modern office in the plant. On paper, at least, it offers all the services of a good credit union, but obviously it does not get the complete message across to all the members.

It may be significant that this credit union has no regular publication. Some advertising folders bought from

marked effect on the growth of the credit union.

It is printed mostly in Dutch to give immigrants something to read in their own language, but includes a children's section printed in English.

Typically, immigrant children soon learn English, and the father picks it up at work. The mother, who has fewer contacts as she remains in the home, is slow to learn the new language and may become homesick. Her feeling of unhappiness may increase as her family becomes more and more Canadian while she remains essentially Dutch. Many immigrations have

bulwark against economic disaster.

Credit union officers consider their growth steady and healthy, if not spectacular, and they know that *The Dike* is a strong contributor to the growth.

### Many Write For It

On the editorial staff, besides Vander Stam and Van Wassenaar are H. K. Roessingh, Netherlands vice-consul, who provides information on official immigration matters; George De Bruyn, once an investment banker in Holland and now a motel operator, who writes articles on finance, and Piet Gubitz, a draftsman who specializes in writing sports stories and introducing immigrants to Canadian sports.

The Rev. M. Vrieze, a minister and social worker, writes a column on church life, art and music; Mrs. Rensing, a former teacher, handles the children's page; Mrs. Van Traa and Mrs. Van Os, two housewives, handle a women's column; and Bart Van Biezen, a geologist, assists with illustrations and layout.

Ed Ouelette, managing director of the Alberta Credit Union League, will supply material on the League, CUNA and the worldwide credit union movement.

The magazine is printed by an offset process, and Mrs. Van Wassenaar types the copy that is sent to a printer for the addition of headlines, pictures and processing. This typing requires about forty hours for each sixteen page issue. For economy reasons an electric typewriter is used, though the editors would like to go to printers' type.

### First Set in Type

Originally, *The Dike* was set up in a print shop, but it was necessary to find a typesetter who knew Dutch. He was found, but he had to work on the magazine after hours, and this was an additional expense. *The Dike* as it is today presents an extremely neat and professional appearance, and the fact that it is typed in no way detracts from its effectiveness.

*The Dike* is distributed free to Dutch families. Vander Stam feels that if he were to start charging for the publication he would lose as much as 50 per cent of his circulation immediately "just because of human nature."

"We feel that on a subscription basis our credit union members would continue to subscribe, but many non-

## Written and edited by amateurs, 'The Dike' does an excellent education job.

CUNA Supply are available at the credit union office. But seldom is literature of any kind sent to members' homes, and since the credit union uses payroll deductions, many members rarely visit the credit union office.

It is easy, therefore, for a man to belong to this credit union for a long time without knowing much about it.

A good publication, full of articles and notes of local interest as well as basic credit union information and philosophy, could be the answer to this common problem.

### A Good Example

An interesting example of such a membership publication is *De Dijk* (The Dike), monthly magazine of the Holland Calgary Savings and Credit Union Ltd.

*The Dike* is a professional-looking magazine although it is written and edited by volunteers.

It is published for members of the credit union who live within a radius of eighty miles of Calgary, Alberta. But it also is meant for members' families—and for Dutch-speaking non-members in the area.

*The Dike*, according to its editors, has two chief purposes: to provide credit union information to Dutch-speaking people; and to provide material that will help these people become better Canadians.

An editor of *The Dike* is Jan Vander Stam, manager of the credit union. Chief editor is Evert Van Wassenaar, draftsman for an oil company. Both agree that the magazine has had a

failed for this reason.

One of *The Dike's* functions is to teach the mother, in her own language, all it can about Canadian life. "The mother is the prime minister, the minister of finance in these families," Van Wassenaar said. "She must be educated in money matters; she must be taught that it is not a shame to buy on credit in this country."

Credit is new to most Dutch people, Van Wassenaar said. Many Dutch immigrants who have never bought on credit before find themselves over-extended because they simply do not know how to handle credit.

The credit union is in the same office as the Dutch consulate, and credit union officers are in a position to see the results of inability to cope with a strange new situation.

When they come in to the consulate for help, Vander Stam takes this opportunity to tell them about the credit union, gives them advice on business matters, and answers questions about life in a new country. Often these people become credit union members.

The credit union was organized in May, 1955 with 25 members, and now has more than 500. *The Dike* first appeared in August, 1959 when membership was 395. It began as a newspaper-style publication, but changed to magazine format in December, 1960. Its name is symbolic; as the dikes in Holland are on guard against disasters of the sea, *The Dike* magazine, reflects the credit union as a

members would not, and we would lose valuable contacts with people who are potential members."

The magazine costs the credit union money. Though it carries advertising, *The Dike* still cost \$1,000 to produce in 1960. The credit union leadership feels this is money well spent.

Vander Stam and Van Wassenaar expect to increase the magazine's circulation from 2,000 to 3,500 soon when credit unions in Edmonton and Lethbridge become associated in the publication. As circulation increases, a larger press run will bring down the unit cost of *The Dike*, and the editors hope to reach a break-even point soon.

### Has Other Values

*The Dike* has proved much more than just a magazine for people of a certain nationality, or even a successful organ for the credit union movement among people new to the idea. Vander Stam believes it has actually changed the way of life and the traditional thinking of Dutch-Canadians in the Calgary area.

By presenting news from home, news of Dutch-Canadian life, and information on special events, *The Dike* has helped make the credit union a center for people who in the old country would have had little in common. In this way ancient economic and religious prejudices have been broken down.

For instance, before *The Dike* made its appearance, Vander Stam said, there was no Dutch community as such in Calgary. In the old country, engineers, geologists and doctors do not belong to the same groups as farmers and laborers. This has changed.

### Helped New Church

More remarkable, Vander Stam feels, is the fact that when the Dutch Reformed Church planned a new building, the building fund was handled through the credit union, though the treasurer is a Roman Catholic. No members objected when the church planned a new school and its funds were handled by the Catholic treasurer.

In a recent issue, the religious column edited by the Rev. Mr. Vrieze of the Dutch Reformed Church included an Easter message from Bernard Cardinal Alfrink, Roman Catholic archbishop of Utrecht.

None of these things conceivably



THE BIRTHDAY OF QUEEN JULIANA was observed on the cover of a recent issue of "De Dijk," printed mostly in Dutch but partly in English for young Dutch-Canadians.

could have happened back in Holland, the editors said.

Not all problems have been solved, of course. The credit union is not growing as fast as some would like; but Vander Stam pointed out that growth in community credit unions often is slower than in industrial groups. It is still hard to convince some Dutch immigrants in professional levels that they have a social duty to their fellow Dutch-Canadians, even if they don't need the financial help offered, Vander Stam said.

It is hard to convince some conservative Dutchmen, used to keeping their affairs to themselves, to allow anyone to know how much money they save or borrow.

Another problem is the fact that Dutch people save for specific reasons,

and when a goal has been reached they are likely to withdraw savings and buy a house, or a car, or whatever it is, ending their membership. Dutch people traditionally are savers rather than borrowers, and this makes for slow credit union growth.

"And we see our credit union as much more than a saving and lending institution," Vander Stam said. We must educate our people—members, non-members and prospective members—in the ways of the new world, and while we are helping them to become good Canadian citizens we hope to teach them good credit union philosophy too.

"The main purpose of our magazine is education, and we feel we are succeeding."

THE HOME OF ALPHONSE DESJARDINS, in the heart of Levis, Quebec, is marked with a bronze plaque. In this modest white frame house Desjardins started and operated the first caisse populaire.

BIRTHPLACE OF THE CREDIT UNION MOVEMENT in North America, the city of Levis is across the St. Lawrence river from Quebec City. In this charming, old-world city the first caisse populaire was founded in 1900.



# CAISSES

*Most of them are in  
Quebec; they differ  
from credit unions in  
some ways, but in more  
ways their aims  
and purposes are the same.*

**M**OST CREDIT UNION people know that caisses populaires and credit unions sprang from the same beginnings and that in Quebec and several other Canadian provinces they exist together in the same communities.

It is not clear to many why this should be. There is a general idea that caisses populaires are "different" from credit unions, but just how they are different is pretty vague. The BRIDGE believes it can show that there are many more similarities than differences between these two organizations; that their aims and principles are the same; and the most of their dissimilarities are traditional, cultural, and regional in nature.

Strings of colored lights at the Edifice Desjardins in Levis, Quebec, mark two anniversaries: the city's centennial and the 60th anniversary

**The Credit Union Bridge**





# POPULAIRES

of the establishment of the *caisse populaire* movement in Canada.

When the first *caisse populaire* concluded its first day of business on January 23, 1901, it had collected a total of \$26.40, including entry fees, and the first deposit by a Joseph Roy, was in the amount of 10 cents.

This was the beginning of a movement that today has 1,234 *caisses populaires* in Quebec, with total assets of more than \$700 million. Alphonse Desjardins founded the movement because he felt urgently the need of the people in the province for an institution where working people in both rural and urban areas could borrow money for productive purposes, not from usurers but from each other, and where they could save regularly.

It has spread to other provinces of Canada, and exists side by side today, both in Canada and across the border

in the United States, with the credit union movement.

When Desjardins founded the *caisse populaire* movement in Levis he in effect was founding the credit union movement in North America, something he did in fact eight years later when he was instrumental in establishing the first United States credit union in New Hampshire.

## Resembles Yearbook

A glance through a descriptive booklet published by LaFederation des *Caisses Populaires Desjardins de Quebec*, describing the operation and purpose of *caisses populaires*, includes these statements that might almost be printed in CUNA's Credit Union Yearbook, with the substitution of "credit union" for "*caisse populaire*":

"The *caisse populaire* is a cooperative organization for savings and

loans. People from the same parish or having a community of interests associate on a parity basis in an institution to deposit their savings, either small or large; they provide for themselves a new source of credit at a low and reasonable rate of interest. Thus, they free themselves from the old problem of usury and remain masters of their own destiny.

"Cooperative principles include (1) one member, one vote, independently of the number of shares owned by the member; (2) bonus or interest on capital is limited; (3) after provision has been made for reserves and for limited interest on capital, the balance of net earnings is distributed to borrowers as a rebate of interest and sometimes to depositors as additional interest.

"Mutual acquaintance of members is the cornerstone of the *caisse popu-*

laire, the main factor of its efficiency.

"Directors, members of the credit board, and supervisors do not receive any remuneration, salary or token; their services are absolutely free. The manager alone, and the employees if any, may be remunerated.

"The two main services that members wish to secure for themselves through the *caisse populaire* are those of thrift and savings, as well as loans or credit."

### Organization

A *caisse populaire* has a board of directors, elected by its members. It has a credit board of three members; its function is the same as a credit union's credit committee: to examine requests for loans and either grant or reject loans. It has a three-member supervisory committee, whose function is to insure that the principles of the *caisse populaire* movement are observed.

*Caisses populaires* are members of unions regionales, which provide co-operative and social education of members and leaders, and supply technical information on a regional basis. These regional unions are supported by dues on the basis of 1/10 of 1 per cent of the assets of a member *caisse* as of December 31 of each year, and 2 per cent of the gross profits of the fiscal year.

*Caisses* belonging to a union regionale also are members of a *caisse regionale* or *caisse centrale*, which is

the saving and credit unit of the Union Regionale. A *caisse regionale* receives idle saving surpluses of local *caisses populaires*, and maintains a service for the safekeeping of securities.

Finally, unions regionales and their *caisses regionales* group themselves into a province-wide organization called a federation, which in Quebec is La Federation des *Caisses Populaires Desjardins* de Quebec. The federation is supported by dues from union regionales, which pay the federation 54 per cent of the annual dues collected from individual *caisses populaires*. The federation also receives an annual grant from the provincial government.

So far the similarities in aims and purposes between the *caisse populaire* and credit union movements are obvious, as are the parallels between credit union chapters, centrals and leagues and *caisse populaire* unions regionales, *caisse centrales* and federations.

### How They Differ

To discuss differences between the two organizations it is necessary to discuss historical, cultural, social and philosophical questions. To get some background on these distinctions, a *BRIDGE* reporter talked with *caisse populaire* officials at federation headquarters in Levis. Among them was Pierre O'Neil, publicist and editor of the federation's monthly magazine

### La Revue Desjardins.

Here are some of the points made by O'Neil, which suggest some of the ways *caisses populaires* differ from credit unions:

**Organization by area.** *Caisses populaires* are organized by parishes. A *caisse populaire* organized on a company, union, shop or professional basis is rare. *Caisses populaires* are basically community (parish) organizations. In Canada, many credit unions, too, are community organizations, but in the United States many of the largest credit unions are industrial, professional or labor union organizations.

**Stress on saving.** *Caisses populaires* are savings institutions first, lending institutions second. This is true both in theory and in practice, much more so than in many United States and Canadian credit unions.

**A Catholic institution.** According to by-laws of *caisses populaires* in Quebec, *caisse* members must be Roman Catholic. In practice, O'Neil said, this is true in more than 90 per cent of cases.

**Stress on "productive" loans.** *Caisses populaires* have always taken a strict view of Desjardins' principle that loans are to be made for productive purposes only. The interpretation of "productive" traditionally has been a narrow one, and "consumer loans" are frowned on.

**Conservative in nature.** *Caisses populaires* are traditional and conservative in their thinking and operation. They resist change, and are extremely cautious about publicity. They feel their best publicity is their service to their members and are slow to advertise themselves. At one time publicity as such was forbidden.

**Identification with a personality.** The movement always has been closely associated with the name of a man. For many years it was Alphonse Desjardins; more recently it is Senator Cyrille Vaillancourt.

**Banking characteristics.** Members of a *caisse populaire* may write checks against their accounts, the same as they could at a bank. This is true of some Canadian credit unions as well, but is not allowed in the United States.

**Need for liquid assets.** Because *caisses populaires* offer members checking service, they must keep something like half their assets liquid. This keeps money available to members on demand, but limits the amount

SOME CAISSES ARE RURAL AND MODEST, like the one at St. Charles, a tiny farming community near Levis. This office is in a remodeled farm building, and only the letters "CP" carved in the screen door identify it as a *caisse*. It has assets of \$431,000. Shown are the assistant manager, the manager, and the teller.

On the other hand, more than 200 *caisses* in the federation have assets of more than \$1 million and large, modern offices.





**HISTORIC DOCUMENTS** are examined in Quebec federation headquarters, including the first account books, journals, and cash books in Desjardins' own handwriting.

From the left are Pierre O'Neil, federation publicist; J. M. Gagnon, manager of La Caisse Populaire de Levis, the first in North America; and Fernand Blache, inspector.



**SENATOR AND MOVEMENT CHIEF** is Cyrille Vaillancourt, who represents Quebec in Ottawa and is manager of La Federation des Caisses Populaires Desjardins de Quebec.

of funds available for loans.

The heart of the *caisse populaire* movement is in Quebec, but there are federations also in New Brunswick, which has 87 *caisses*, and in Ontario and Manitoba where the federations are small.

There is no connection between these federations; there is no "CUNA" of *caisses populaires*. The term "*caisse populaire*" is sometimes used loosely outside of Quebec to mean an organization that is not affiliated with a federation—or a French speaking credit union. In fact, there are "*caisses populaires*" that belong to Canadian credit union leagues. In addition, there are 20 *caisses populaires* in Quebec that are affiliated with an organization called the Montreal federation.

*Caisses populaires* in Quebec have enjoyed steady growth; one Canadian economist pointed out recently that savings in *caisses* had grown three times as rapidly as in banks in the province since 1946. It was reported in June that in the previous four months *caisses populaires* had increased their assets more than \$30 million.

Through the federation, two insurance companies were formed. La Societe d'Assurance des Caisses Populaires, a mutual casualty company founded in 1945, insures 10 types of risks including, as of April 1 of this year, automobile accident. The com-

pany's premiums total about \$6 million a year, and its assets are \$4,750,000.

The Desjardins Mutual Life Assurance Co., started in 1948, operates on a federal charter and sells group and individual life insurance in eight of ten provinces across Canada. This company's insurance in force increased from \$187,744,777 in 1955 to \$691,820,887 in 1960.

The mutual life company recently moved into a modern new building at the outskirts of Levis, a building that will be an employee center when long-range plans for a new urban development are realized. The development, to be called Desjardins City, will include a new and larger home office building.

#### **Founded by Federation**

These companies operate independently of the *caisse populaire* federation and sell insurance to non-members as well as members. Both were founded by the federation with *caisse populaire* funds. Though they are not connected with the *caisse populaire* federation, the federation has three members on the mutual life company's fourteen-man board of directors and three on the casualty company's fifteen-man board.

Senator Cyrille Vaillancourt, who is directors of the federation, is president of the mutual life company and a vice

president of the casualty company.

The growth of the *caisse populaire* movement in Quebec during the past few years can not help but be impressive.

But there are many who say that the evidence of healthy growth along traditional lines does not change the fact that *caisses populaires* in Quebec are not fully meeting the needs of Canadians today.

The *caisse populaire* movement is facing a challenge. Life in Quebec as well as the rest of Canada is changing. Urbanization is increasing. Organization by parishes becomes more complicated as more and more people of differing religious and national backgrounds group together. More and more people are developing mutual interests based on what kind of work they do, where they work, and how much they earn.

And particularly, many feel, *caisses populaires* may have to take a hard look at their traditional attitude toward consumer credit. *Caisses* outside of Quebec—and credit unions around the world—have demonstrated that consumer loans are not necessarily bad; that they are a part of contemporary life; and that Desjardins' honored principles of prudent and productive borrowing have been successfully applied to today's urbanized, mechanized, industrialized way of living.



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# WHERE THE FAMILY MONEY GOES

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**E**VERY year the financial condition of American families is studied by a group of people at the University of Michigan. Debts, savings, assets and purchases are examined under a microscope. This year, after fifteen annual surveys, the Michigan center has put out a more comprehensive report than usual, summarizing what has been learned as the data have piled up.

There has been some leveling off in borrowing during the last five years. There is a big increase in the number of families that have checking accounts in banks. More people than ever before approve of installment borrowing as a way of acquiring durable goods, but the percentage of population with personal debts does not seem to be growing much right now. A big drop has taken place in the number of families holding savings bonds, but more families have savings accounts in savings and loans, credit unions and banks.

Such are some of the findings that the University of Michigan survey research center offers in its latest report, a paper-bound book called "1960 Survey of Consumer Finances."

The details are often extremely interesting.

● **Savings.** World War II still pro-

vides the essential background of the savings picture. Many families came out of the war period with little or no indebtedness and large holdings of savings bonds. For the first five years after the war, the liquid savings of American families declined a little, but they rose again during the fifties and stand about the same now as in 1945.

What's different now is that liquid savings are in somewhat different forms. Whereas 63 percent of all families held savings bonds in 1946, only 30 percent hold them now. There were 61 percent of all families with no savings accounts in 1946, but this has now been reduced to 47 percent. As for checking accounts, 66 percent did not have them in 1946 but only 43 percent do not have them now.

In certain other respects, the changes have been slight. There were 24 percent of all families in 1946 who had no liquid savings, and there are 24 percent today. The percentages of families holding amounts such as \$200 to \$500, or \$500 to \$1,000, have dropped a little, while the percentage of those holding over \$10,000 has pushed ahead from 2 percent to 6 percent. These changes illustrate how a large body of the population has benefited from income gains and

added to savings in the process, and how another group—perhaps the lower third—have seen little improvement.

About half of all families have more than \$500 in liquid savings, while half have less.

● **Home-ownership.** For many families, the largest part of their net worth consists of equity in a home. In 1960, almost 60 percent of families lived in houses they owned, and about 60 percent of these houses carried mortgage debt. Low-income families do not own homes as frequently as high-income families; when they do, they live in cheaper houses, naturally, and are more often free of mortgage debt. Higher-income families pay more for shelter, are more likely to have large debts, and (it may be guessed) are more likely to have bought recently.

The percentage of people in the \$4,000 to \$5,000 income level who own their own homes is 53 percent; below this income level, most families are renters. As you go up in income level, you find an ever higher percentage of owners, reaching 77 percent in the over \$10,000 group. Similarly, there is a progression in age groups; young married couples without children do not own to the same extent as couples over 45 with children.

By far the commonest form of consumer asset is homeownership. Some 21 percent of all families have \$10,000 or more equity in their homes, and another 17 percent have from \$5,000 to \$10,000 equity. By comparison only 4 percent have more than \$10,000 in liquid savings, and only 6 percent have savings between \$5,000 and \$10,000. The number who have substantial investments in common stocks or other real estate is still lower; only 3 percent, for example, have more than \$5,000 in common stocks.

● **Purchases.** During 1959, the last year for which purchases of durables are reported, about 9 percent of all families bought new cars and 15 percent bought used cars. Ten percent bought television sets, 8 percent bought washing machines, 7 percent bought refrigerators and 18 percent made furniture purchases.

This does not mean that every family has one or more of everything. For example, 26 percent of all families do not have any car; and while most of the carless families are in



lower income brackets—a majority of families in levels below \$2,000 have no car—still there are 6 percent of families without cars in the income level over \$10,000.

Cars and appliances both are commonly bought with trade-ins, but the trade-in allowance is usually a much larger part of the purchase price in the case of auto purchases. Trade-ins are involved in 85 percent of all new car sales, and in more than half of used car sales. About one-third of appliance sales involve trade-ins.

Credit is used in most of these purchases. About two-thirds of all new car sales are financed with installment credit, and the more expensive new cars are financed about as often as the lower-priced models. The percentage of used cars financed is also high, but this percentage is affected by the fact that most used car sales under \$500 are cash sales.

• **Life insurance.** Families with no life insurance protection are rare, especially in the middle and upper income levels. In the \$3,000 to \$4,000 bracket, there are 27 percent of families without life insurance; but the percentage declines rapidly above that level. In the \$4,000 to \$5,000 group, the percentage without life insurance is 16; in the \$5,000 to \$6,000 group it is 11; and in the \$6,000 to \$7,500 group it is 7.

### What They Pay

Coverage figures are not reported. However, premium payments reported give some impression of the extent of coverage. In the \$3,000 to \$4,000 income group, for example, 22 percent pay premiums of \$100-199. Eleven percent pay more; the rest pay less. In the \$4,000 to \$5,000 income group, 26 percent pay \$100-199; 13 percent pay more. In the \$5,000 to \$6,000 income group, 29 percent pay \$100-199; 24 percent pay more. In the \$6,000 to \$7,500 income group, 30 percent pay \$100-199, and another 30 percent pay larger amounts. The annual premiums paid by a majority of families amount to less than 3 percent of their disposable income, which means that most families with insurance protection have rather modest amounts. A small group of families think of insurance as a good way to save, and these families generally have considerably larger programs. At the same time, upper income families are paying smaller amounts of insurance premiums than 10 years ago, and there

has also been a small decline in premiums paid by middle income families.

• **Installment debt.** Between 1950 and 1960, personal income rose 77 percent, but consumer installment credit increased 185 percent. The total installment debt outstanding at the end of 1950 was \$14.7 billion. In mid-1960, it was \$41.4 billion. But this enormous increase took place mostly between 1950 and 1956. Since 1956 there has been a marked slow-down in expansion; auto loans particularly have lost their momentum.

### Percentage Similar

At the same time, during the past three years, there seems to have been little increase in the percentage of the population with installment debts. More than two-thirds of all families have some debt, either short-term or long-term, but eliminating mortgage and single-payment loans, there are 48 percent of families with short-term installment debt, and this percentage stands the same today as it stood in late 1957. It is only slightly higher than in 1955, but it is substantially higher than 1950. In other words, the growth trend of the early fifties has flattened out.

Consistently over the last ten years, the heaviest borrowing group has been the married group with children and rising income. By income level, this means primarily families making \$5,000 to \$10,000. Families with less than \$2,000 income and families with more than \$10,000 borrow much less; there has been little change in this over the ten-year period.

Borrowing is most common among families in which the head is 25 to 34 years old. However, loans and credit extensions over \$2,000 are

found most frequently in families in which the head is 35 to 44. Auto and durables loans fluctuate in volume as business conditions fluctuate, but personal loans maintain a gradual growth trend that seems to be independent of the business cycle.

The total installment debt balance of the American people reached 10 percent of disposable income in 1955, and it was still 10 percent in 1960. Repayments have been running at about 13 percent of disposable income, according to the Federal Reserve Board, and that figure also has been stable for several years.

Although the growth of consumer credit seems to have run up against some kind of ceiling, the attitude of people toward credit still seems to be changing. In August 1956 and again in October 1959 people were asked whether they thought installment buying is a good thing, and over the period there was a substantial increase in those who said yes. Approximately 9 percent of families changed their minds during that time in favor of installment buying. The minority who oppose installment buying is growing smaller, although there were 15 percent of all families, both in 1956 and 1959, who said that installment credit costs too much.

### Feel Borrowing Useful

Summing up, the Michigan survey shows that most people are convinced that installment borrowing is useful. Most people want to save, but few save much. Quite a few are convinced that it is better to borrow than to break up what savings they have. Most of this, credit union people have known for many years, but it is good to have detailed confirmation of old credit union impressions.

Families with installment debt by income groups, early 1960

Family income:	Under \$2,000	\$2,000-4,999	\$5,000-7,499	\$7,500-9,999	\$10,000 and over
Amount of debt:					
No debt	75%	51%	40%	42%	56%
\$1-99	8	9	4	5	2
\$100-199	5	6	7	8	2
\$200-499	6	14	14	12	8
\$500-999	2	11	13	12	10
\$1000-1999	2	7	14	13	13
\$2000 or more	1	2	7	8	8
Median amount	\$190	\$400	\$690	\$670	\$1000

*Personal bankruptcies have increased tremendously in the past few years—as much as 2,000 per cent in some areas. Here's a look into one bankruptcy court, and one expert's views on the causes and remedies.*

# A DAY IN A BANKRUPTCY

A DAY IN ONE of the busy United States bankruptcy courts is a revealing experience.

To these courts come people seeking relief from debt burdens; people whose business or personal affairs have become so hopelessly tangled that they feel the only solution is permission from the federal government to declare themselves broke.

More than ninety per cent of today's bankruptcy cases are wage-earner cases; that is, personal rather than business bankruptcies. The volume of personal bankruptcies has increased tremendously in the past few years—as much as 2,000 per cent in some areas.

Credit union officers—and everyone else interested in family finance, consumer credit, practical economics, and mid-century American sociology—might well find it interesting and educational to sit in on a day in a local bankruptcy court. The hearings, of course, are open to the public, as are records of the court.

Probably the dean of U.S. referees in bankruptcy is Miles C. Riley of Madison, who at the age of eighty-four has been practicing law for fifty-

four years and has been conducting bankruptcy hearings for thirty years.

The district he serves includes sixteen counties in Wisconsin, with several medium-size cities, a number of industrial communities, and some of the best dairy and farming lands in the nation. The volume of bankruptcies handled by Judge Riley's court has increased from a total of 37 in all of 1945 to more than 600 in the last year.

Is Judge Riley's court "typical" of bankruptcy hearings held across the nation? Generally yes.

Let's sit in on a few cases during a typical morning's hearing:

## First Case, Mr. A

Mr. A is forty, an insurance salesman, is married, has four children aged four to eighteen. After he is sworn in by Judge Riley he sits nervously at a table with his lawyer, a few feet from the judge.

In response to the court's questions, Mr. A says he owns no real estate; he recently turned a house he was buying back to the mortgagor and realized \$250 in the transaction, and his lawyer said Mr. A used this money to-

ward paying debts. Mr. A's total assets, represented in total value of personal property (household goods and clothing) is \$150, and his personal property is mortgaged in the amount of \$185. Creditors (two of whom are present in the room) claim total debts of \$4,300.

Mr. A has two cars, both paid for. One, a 1954 Buick, not in running condition, is of minimum value; the other, a 1951 Chevrolet in running condition, has a value of \$100. He has \$10,000 in term insurance; the policy is two years old and has no surrender value. He owns no stocks, bonds, or other securities.

His creditors include a bank with a revolving, "good-anywhere-in-town" credit plan. His salary is a "guaranteed" \$450 a month, but he must meet an ever-increasing quota to receive his guarantee, and some months he doesn't make it.

Asked by the judge why he applied for bankruptcy, Mr. A says, "I have so many creditors there's nothing left." Turning to representatives of a bank and a finance company sitting across from him, he says, "I'm not complaining; you guys have been



# COURT

swell to me. But I've had so many threats of suits and garnishments, it got so I was afraid to answer the phone."

After conferring with the attorney and the creditors, the judge says "I see no reason for appointing a trustee in bankruptcy in this case, since this man obviously doesn't have anything. Unless there are any objections?" The creditors voice no objections.

## Bankruptcy Granted

In approving Mr. A's application for bankruptcy, the judge concludes his case by citing the law; tells him that he need not appear again unless he is summoned by the court; and advises him that if he inherits property within six months of the date of filing for bankruptcy he must immediately inform his attorney (who will turn such inheritance over to the court) or face prosecution.

Mrs. B., a pleasant-looking housewife of twenty-two takes her seat confidently after she is sworn in. Her husband was granted bankruptcy in the same court a week earlier. She says she has one small child, and the judge notes, "prospects for another,

I see." She is a high school graduate who works as a stenographer for the state.

She and her husband own no real estate. Their only assets are personal property and clothing. They pay \$46 a month rent. They have a \$1,300 debt to a sales finance company (household goods) on which they pay \$44 a month; they owe \$2,188 on a new, 1961 automobile and pay a finance company \$62 a month; and have total debts of \$6,700.

The judge earlier had ordered the husband to dispose of the car and get a cheaper, second-hand model, and he asks the woman's attorney whether this has been done. The lawyer says the husband is having difficulty getting credit to buy a used car. "I want that car turned in to this court tomorrow," the judge says.

A representative of a finance company, sitting in the hearing room, asks the court for immediate possession of the new car. He says his company is going to take a loss on the automobile, and wants immediate possession. "I agree with you that you're going to take a loss," the judge says. "I agree you should have possession as soon as possible. I sym-

lightly. This is serious business, do you understand? I want you people to get back on your feet. You have one child and another on the way. You have a duty to Uncle Sam to bring these youngsters up right." As he does in every case, he asks the lawyer whether he is sure his client has made full disclosure of all assets, and returns to Mrs. B.

"Have you told your lawyer the whole truth? I insist on this; this court must know the truth. It wouldn't be a bit nice to have that baby over in the jail, would it?" The judge finally grants bankruptcy after giving Mrs. B final instructions as to the law, and she gets up cheerfully and leaves.

When she's gone, the judge says "Look at that little know-nothing girl; she hasn't got sense enough to come in out of the rain. And if you could have seen her husband—he's worse. And these are the ones these ----- credit people really load it on. (Judge Riley is a man of pungent speech.) "A nice girl—nicest girl you'd want to meet. But she just doesn't have any ----- sense when it comes to credit or family finance."

Mr. C is about forty, employed as a house painter, and has four chil-

Mr. C says he often works "short weeks" on the job. His wages have been garnisheed and his boss advised him to go into bankruptcy; otherwise his job is threatened. No creditors appeared in court.

In granting bankruptcy the judge told Mr. C, "now when these creditors come around crying on your shoulder I want you to make no promises. You tell them to see your lawyer; that your affairs are in the hands of this court." Repeaters, he says, are rare in his court, but among the few who do declare bankruptcy more than once, the reason often is that creditors have talked the debtor into giving them money; the debts behind the second bankruptcy often are the same debts behind the first.

### D Has Eight Children

Mr. D, thirty-six, is a machine operator, married, with eight children ranging in age from two to twelve. He has a ninth-grade education, owns no real estate. His personal property is free of debt. He owns two cars, a 1951 Buick, not operating, value \$100, and a 1948 Plymouth, in running condition, worth \$20 to \$50. He owes \$1,500, including many small bills to utilities, stores and finance companies, and \$100 on the car that doesn't run. He has no life insurance. All eight children live at home; six are in school. His take-home pay is \$80 a week.

### Fifteen Garnishments

Why did he apply for bankruptcy? His attorney said Mr. D tried several plans of voluntary debt payment but they never worked out. He had one garnishment after another, a total of 15. "I had to do something so I could get food and clothes for my kids." His attorney said he failed to pay his way out from under his debts because of the repeated garnishments. The judge noted that many bankruptcies are caused by garnishments, particularly in industrial areas where companies have rulings under which a worker is fired after one, two or three garnishments.

In granting Mr. D bankruptcy, the judge congratulated him on being in relatively good shape considering the conditions. "Your household goods are paid for, and you haven't gone over your head on an expensive car. This shows good sense; in some ways you have handled your affairs pretty

## *"Now I want you to leave this court with an obsession to pay your debts"*

thize with creditors and it is my job to see that creditors are protected.

"But when you make an unjustifiably large loan to a person you know can't keep up the payments, you must expect some trouble, including bankruptcy. That's part of your business." The creditor says he didn't know these people couldn't make the payments. "Then you should have," says the judge.

This man and wife have a combined income of \$400 a month. The judge asks Mrs. B why she is applying for bankruptcy. She said her husband has had threats of garnishment and the boss said he'd be fired if it happened. She is expecting a child, and will quit work in a matter of six months. She is cheerful and composed as she testifies, an attitude the judge does not like to see in these cases.

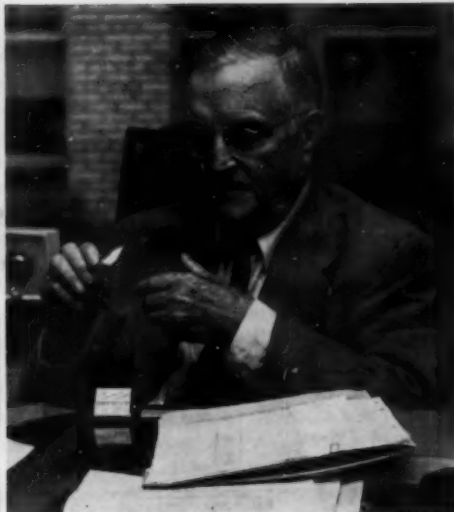
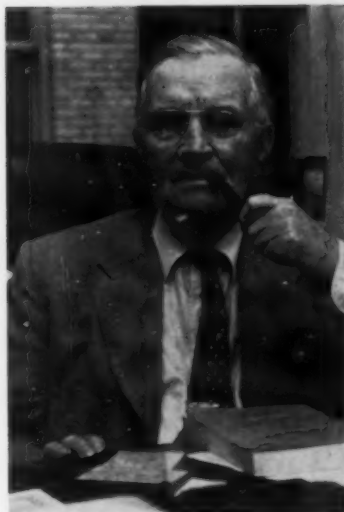
"Now you listen to me," he says. "I don't want you to take this thing

dren, aged twelve through sixteen. He has a ninth grade education. His assets, in personal property, total \$660, and his debts total \$3,850. He went through bankruptcy once before, ten years earlier, before the same judge.

He has no real estate; has never had any. Household goods, wearing apparel all paid for. Has a 1951 Buick, worth \$100, paid for. No life insurance, no securities and no money owed him. His take-home pay averages \$90 a week. As he does in each case, the judge asks the reason for applying for bankruptcy, adding, "I'm not asking for an apology. You have every right to file for bankruptcy, and I am here to help you. I merely ask you for your reasons, the facts behind your trouble."

This man owes money to many doctors and hospitals; there has been much sickness in the family. He also owes finance companies and stores.





Judge Riley: "A fantasia of credit . . . . . obsession for more production . . . . . credit boohs."

well. Considering the size of your family and your income, it's no wonder you're in financial trouble. You're an example of the kind of person the bankruptcy law is designed to protect."

Mr. E, thirty-eight, an auto assembly plant worker, has a wife and two children, owns no real estate, and his only assets are personal property. He owes about \$1,500 to small loan companies, stores, an encyclopedia publisher and others. Through his attorney he has requested relief under Chapter Thirteen of the bankruptcy law and wants to pay \$20 a month on his debts. (Chapter Thirteen protects a wage earner from garnishments while he pays off his debts on a schedule under court supervision.)

He says he does not want straight bankruptcy because "then they'd take my furniture and household goods away, and I'd have to buy new stuff on credit and start the whole thing over again."

The judge told Mr. E "you and I have established that you can pay \$20 a week to your creditors, and that you want to pay them. Your creditors have agreed on such a plan. Now I want you to leave here with an *obsession* to pay these debts. I don't want you to go into debt again or make another move involving a dime without consulting this court."

"If you find you can't make these payments, this court has the power to reduce them. If you get a raise and want to make bigger payments, we

can increase them. We want to make it a *pleasure* for you to pay your debts and enjoy the feeling of not owing anybody. We've taken the shackles off you. No creditor can touch you with a garnishment as long as you play the game with us."

The judge added that the court might order Mr. E to return the encyclopedia (one of the expensive adult sets) because "while they're nice to have, they're not exactly a necessity for a man in your financial shape."

Mr. F, a thirty-year-old salesman, came into his hearing owning \$21,250. Of this amount, \$16,000 represents a house mortgage. He owes \$1,600 to finance company A and was paying \$56 a month; \$1,800 to finance company B, and was paying \$70 a month; \$1,180 to finance company C, paying \$50 a month; \$450 to a bank, paying \$45 a month; \$235, on a store charge account, paying \$12 a month; and \$320 to a chain store, paying \$18 a month.

#### Just A Sucker

This adds up to about \$250 a month, plus his house payments of \$119. His income is \$400. The judge shakes his head. "It's hard to imagine anybody getting himself into such a ..... mess," he says. "How did you get into such remarkable financial trouble?" Mr. F replies that his wife has been sick a lot, then adds more realistically, "I'm just a sucker for easy credit." Before granting Mr. F bankruptcy, Judge Riley expressed

himself colorfully in condemning Mr. F for being such a "credit boob" and condemning the lenders involved for letting this man have money.

It is not only loan companies that are called down. In one case a banker sat in the hearing room as a man was being questioned on his request for bankruptcy. The man was \$28,900 in debt, and the bank in question had a \$3,000 lien on his car, plus an additional unsecured note of \$1,500. Noting that the car's value was listed as \$1,750, the judge turned to the banker and said "well, well, you bankers are getting a little nutty too, aren't you?"

To a finance company representative after an applicant ticked off a long list of debts, Judge Riley said "Do you see what you people are doing? Here's a fine example of how you people operate. How is this man supposed to pay you and all the others? Why did you allow this man to borrow a nickel?"

"Now you sit there waiting for your share of the dividends of this man's assets. Well, I can tell you there won't be any dividends. This man hasn't got a ..... thing but his clothes and his furniture, and part of that is mortgaged. You can take your share of the credit for the shape he's in."

Judge Riley admits to three "obsessions" that he has developed in his thirty years as a bankruptcy referee; all three are interconnected.

His first "obsession" is that "this country has only one resource, it's

kids. I'm eighty-four; old fogies like me don't count. I don't worry too much about the other old fogies that come in here; they've had their chance. But the kids who come before me in trouble, and go out of here with the scarlet letter of bankruptcy stamped on them—I can't tell you how serious I think this is."

His second obsession is that "America is in a fantasia of credit. I realize that this country never could have become as strong and important as it is without credit," he says. "I am not opposed to credit. But this fantasia—the frenzy of people to borrow money and frenzy of creditors to give it to them!"

### Critical of Law

And his third obsession is that American bankruptcy law is doing a poor job. "My experience tells me that at last half the people are able to pay their debts if given time extensions," Judge Riley sees the answer in Chapter Thirteen.

But he is critical of Chapter Thirteen, too. "What is needed in Chapter Thirteen cases is a staff of counselors

who will talk with people, examine their problems, educate them to understand how they got into trouble, and keep them enthused about paying their debts. It should be done by competent, trained people, and done with personal interest and good feeling. Otherwise, Chapter Thirteen is the bunk."

Who is it that decides whether a person shall ask for straight discharge in bankruptcy or relief from debt under Chapter Thirteen? "The defect in the system is that the lawyer makes the decision," he said, "not the client, and not the court. Most lawyers simply put a man through straight bankruptcy. Many lawyers know next to nothing about bankruptcy law, and many university law schools don't teach it. I have had lawyers in this court ask me 'what is Chapter Thirteen?'"

"Lawyers don't know—and it's not their business to know—how much help their clients need in solving their financial troubles, how much economic rehabilitation could be given, or what is the story behind each bankruptcy."

### Law Needs Changing

Judge Riley believes strongly that the federal law must be amended so that the bankruptcy judge—no one else—shall decide whether a man is relieved by straight bankruptcy or under Chapter Thirteen. And he insists further that the amended law must make provisions for providing competent staffs of counselors for every referee in bankruptcy. (Judge Riley for some time has had his own staff of counselors.)

"Creditors must be educated too. They must be told by someone—and nobody is doing it now—that if they extend easy credit they have to accept hazards.

"Let me give you an example of what this frenzy for production, production and more production is doing to this country. I had a fellow in here from a big company—one of the biggest in the U.S.—that had a claim of \$30,000 against a bankrupt. He was not one bit fazed by the fact that he wasn't going to collect. You know what he told me?

"Listen Judge, this is peanuts. Don't you think my company can take a \$30,000 loss once in awhile? I'm sure it won't bother us very much. We expect a certain amount of these."

"Here's what I told him," Judge

Riley said. "Sure, this loss is peanuts to you, but you have competitors who can't afford a loss like that. And you're setting the pace of credit in your industry by your example. What about all the people who are going to get in debt and wind up in bankruptcy court—some of them with their whole lives shot—because your company can stand a big loss? To say nothing of small businessmen that have to risk their necks extending credit, trying to compete with you."

### 30-Year Sum-Up

"Let me sum up my position on credit and bankruptcy, based on thirty years of looking at the dark brown side of family and business finance," he said:

"In 1935 there were roughly 77,000 bankruptcies in the country, of which 46 per cent were individual. This was while 26 per cent of the population was unemployed. In 1960, there were 110,000 bankruptcies, of which 90 per cent were individual, and 6 per cent of the population was unemployed.

"Behind this tremendous increase in personal, individual bankruptcies are an obsession among businessmen for increased production at any cost, and a fantasy of credit in which both the borrower and lender have lost their heads.

### Intended As Relief

"Bankruptcy is intended to be, and should be, a relief for distressed people, not an easy way out of responsibility. Actually, it often is not an answer anyway—people who think bankruptcy means wiping away all debts are mistaken. Mortgages—any valid liens—are not dischargeable through bankruptcy. The only debts wiped away are unsecured debts; anything bought on a valid lien must be paid for or it can be taken away. Many bankrupts have learned that after the finance company takes the car away and the store takes back the furniture, and the lawyer has been paid his fee, he's no better off than before, and has to get right back in the hole for more furniture and other necessities.

"Every bankruptcy court should have a trained staff of counselors, by law. It should accept the idea that its job is to see that a bankrupt learns something from his experience, is encouraged to pay his debts if at all possible and pay them proudly."



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## A CHANCE TO TELL THE WORLD: CU DAY

FROM a credit union treasurer in Belize, British Honduras: "... I and my assistant were kept very busy during the week issuing pass books to new members."

From another in Port Alberni, British Columbia: "Increased membership applications."

From one in Chicago: "103 applications."

These are some of the concrete effects noted by credit unions as a result of their celebrations of International Credit Union Day in 1960.

Since Credit Union Day was started in 1948, when the CUNA Board set aside the third Thursday of each October as an annual international "day of thanksgiving for the credit union privilege," the celebrations have grown in scope and meaning. Thirteen years ago dinners in chapter areas throughout the U.S. and Canada were the rule. Now the holiday is observed all around the world, and increasingly individual credit unions find the event a good way to bring the credit union message to more people.

From Waupaca, Wisconsin: "... a greater awareness by members and potential members of the benefits of the credit union" and "renewed knowledge that the movement is world-wide."

From Trimble, Missouri: "... an overwhelming response to this year's ICU DAY project of "SHARING" credit union benefits ..."

And again from Belize: "... an awakening by the people in the credit union movement."

These are some of the less tangible, but equally important effects also noted by credit unions last year.

Credit Union Day observances take work but the results are worth it. Three organizations which proved this are the Saskatchewan Credit Union League, the Connecticut League's Hartford Chapter and the Enchanted Federal Credit Union at Walker Air Force Base in New Mexico. They were the grand prize winners in the CUNA-sponsored 1960 International Credit Union Day Contest.

Some impressive growth figures were cited by the Saskatchewan

League, three-time winner of the contest. "We've been increasing at a rate of 20,000 new members a year for the past eighteen months," said league fieldman Tony Thorson. Although the league conducts and sponsors various campaigns and projects throughout the year, Credit Union Day has become a key part of the over-all program.

A direct effect of Credit Union Day celebrations last year within the Hartford Chapter was reported by Bud Allen, treasurer and general manager of Underwood Employees Federal Credit Union in that city: "The two months (September and October) before the celebration reflected a membership increase of 10 to 15 per cent above normal."

### Beauty Contest

The chapter holds a beauty contest in connection with Credit Union Day and "all of the credit unions which entered girls showed an increase in membership as a result," Allen said.

There is nothing like a pretty girl (or a number of them) to help gain additional newspaper space or radio and television time. But there is an added advantage, too, according to Allen. "Every time someone asks, 'Who will be the queen in our credit union to compete in the contest?' he always mentions that word 'credit union.' It gives us a tremendous amount of publicity," he said.

At Enchanted credit union, president Paul Ross said, loan applications increased during Credit Union Month. He viewed this as important because they represent loans which would have been made in nearby Roswell, New Mexico, or elsewhere at higher interest rates.

Just as important as these tangible benefits of Credit Union Day, is the opportunity to tell the world about our basic credit union philosophy. As former President Dwight D. Eisenhower said, "observance of International Credit Union Day calls attention to the work of the credit union movement in encouraging personal independence through self-discipline and wise management of resources."

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# THE DAY THE VAULT DOOR JAMMED

**O**UR VAULT WON'T OPEN." These words rang out to manager Joe Cugini one Saturday morning when he arrived at Westerly Community Credit Union in Westerly, Rhode Island.

The clock-regulated door may have been improperly set. Or it had jammed. But regardless of the reason, it remained closed. And Saturday morning is one of the principal business days at Westerly. It's the only day in the week on which no other financial institution in this town of 14,000 is open. On an average Saturday morning, Westerly Credit Union serves some 150 members over the counter.

"What'll we do?" asked one of Westerly's nine employees. "We'll just have to get into the vault or borrow some money elsewhere."

But manager Cugini counseled against worrying. "There isn't anything that we can do to get into the vault until the time clocks are ready to open up by themselves. In the meantime we will have to operate as well as we can."

This was not the first jamming of the vault for Westerly, a community credit union with \$2.5 million in assets. Some four months previously a similar situation had occurred when a staff member had overset the time clocks. But the earlier experience had taught Westerly several useful lessons.

One of these was to keep a small emergency fund in reserve. It amounted only to \$500. But with this cash the seven cashiers opened for the morning's business on Saturday, July 8. Because they had so little money and were unable to use the regular controls, they shared a single drawer.

Each member was told the facts of the emergency upon entering the building. Requests for cashing large



checks were regretfully declined. But the members showed no disappointment; instead they offered to lend their cash funds to the credit union until the following Monday. These offers were repeated by member after member. In addition, the staff went through its pockets and advanced all of its extra cash to the credit union. As the morning wore on, the single cash drawer saw considerable activity. But its funds were never depleted.

Commented one member: "Our money must be safe. If not even the employees can get to it, then certainly no outsider can run away with it."

A total of 177 members visited Westerly Credit Union that Saturday morning. When they had gone, the original cash balance of \$500 had grown to \$6,500.

Did the hours of crisis leave lasting marks? They did. They drew members and staff closer together and developed increased pride in the credit union.

"We did not have a single unkind remark," reports Melva Murphy, Westerly's assistant manager, "Some members smiled. And many laughed at our predicament."

## LETTERS to the EDITOR

To the Editor:

I just finished reading *THE BRIDGE* and feel that there is something lacking in our present approach in both the leagues and the National. Why is it that when, for example in one league and probably in others, two-thirds of the credit unions are struggling with incomes of less than \$20,000 a year, about all we hear or read about are those that have big incomes, build their buildings in fancy style, can buy and use the most modern equipment and thus reduce overhead?

In one league, league and national expense runs 5½ per cent of net income in the smaller units and we encourage them to send delegates to league, chapter and conference. Even partial attendance at these raises this to as much as 8 to 9 per cent of net. This is a terrific load on any organization.

My credit union has recently stepped into the upper one-third yet I cannot recommend to the board full participation in related activities as it is too large a percentage of net income. No true effort seems to be made to operate in keeping with the incomes of the 60 per cent of the members who so often cannot pay their Treasurers an adequate salary. Are we imagining ourselves as big shots in finance, a General Motors or A.T. & T.? We are really a drop in the bucket in the total financial world.

The voting in the league mentioned is controlled by about 400 of the 1500 members. They have a total vote in excess of the combined total vote of the other two-thirds. They are the ones that have the big incomes and the largest pay only 6 per cent on their increase income where small ones pay as high 2.75 per cent of their increase. Isn't it time that the large credit unions assume their fair burden in as much as they are largely responsible for the aggressive activity of the enemies of the credit unions?

Where is the leadership located? Predominantly in the large units. The small ones cannot afford to pay the expense of always being present and thus play the political game of ac-



## THE PRICELESS INGREDIENTS

*Three credit union essentials as seen by CUNA president R. C. Morgan; excerpts from his address to CUNA school graduates.*

**W**HAT ARE THE PRICELESS ingredients of a credit union? Are they the ingredients of the common bond, provident and productive purposes and the characters of the members? No, these are only the practical, common-sense rules which govern the day-to-day operation of a credit union. We must add some other ingredients before we have a true credit union—these added ingredients are the priceless ingredients.

First is the ingredient of democratic control. This, too, may appear at first glance to be merely a practical, common-sense rule. But I think it is more than that. For true democratic control means that the members of the credit union actually believe and feel in their hearts that the credit union belongs to them and that they exercise ownership and control over it.

Next is the ingredient of faith. By this, I mean the faith of the officers and members of a credit union in the credit union idea and in each other. This faith is truly priceless—for in credit unions we must believe in and trust each other. Mere hope is not enough. Hope is simply wishing that something were true or that some-

## LETTER *continued*

quaintance and proximity.

These things do not augur well for the future of this movement. There is big-shotism, extravagant travel and expenses, unrealistic and fantastic employee titles. Are we riding for a fall? How can we resist taxation if we continue in this pattern? This is just a challenge for thought, tied in with the editorial policy of THE BRIDGE. Let's get our feet back on the ground for mutual strength.

REG DAVIS  
Sacramento, Calif.

Readers are invited to express their opinions, and to comment on articles in the magazine. Please keep your letters brief, however, so that we may print the views of a number of readers in each issue.

thing will come to pass. Faith is believing that something actually is true, or that something actually will come to pass. From faith comes the strength for action.

The whole foundation of our democratic way of life rests upon faith. When we no longer trust the promises we make to each other, then our democratic way of life will be lost and we may as well return to the jungle. Yes, the ingredient of faith in a credit union is truly a priceless one!

The third and final priceless ingredient in a credit union is, I think, the ingredient of morality.

In a democracy and in a credit union, we have morality. We have honesty. We have recognition of the rights, the freedoms and the dignities of human beings, and it is this recognition of human beings and human

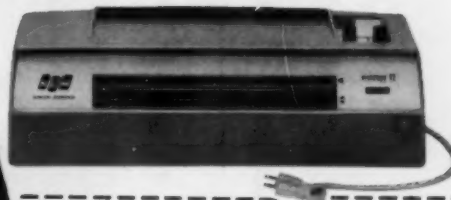


freedoms—true morality—which is the third and final priceless ingredient of a credit union.

I pray that you will look for them and find them in your local credit union chapters, in your leagues and in all of the credit union organizations with which you come into contact. For these are the ingredients which justify the existence of credit unions and the credit union movement.

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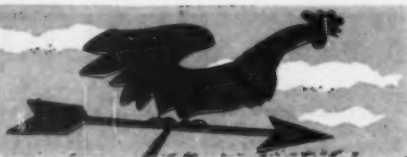
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## in the NEWS



**Canadian credit unions** were brought under question by the president of the Royal Bank of Canada, W. Earle McLaughlin, who suggested in a recent speech that "near-banks" as he called credit unions, caisses populaires, along with similar institutions, **should be under more government regulation** to make sure they don't upset monetary policy.

The central bank at Utrecht for **Netherlands Raiffeisen societies** has written Credit Union National Association for assistance in its celebration of **International Credit Union Day**, observed there as "Raiffeisen Day."

When an electronic failure caused a delay in issuing paychecks to employees of the Washington Department of Public Assistance, the Washington State Employees credit union stepped in. The credit union offered **interest-free loans** to tide over members until their paychecks came.

Texas Credit Union League has appointed an **organization specialist**, to spur the formation of more new credit unions. He's Andy Geyer, formerly on the field staff of the Texas league.

The Netherlands Antilles Credit Union League which serves 50 credit unions with more than 10,000 members, **moved into its own office building** recently, in **Curacao**. This league joined CUNA in May.

Two U.S. commercial banks managed to pile up half again as much in savings last year as all the entire U.S. credit unions combined. Bank of America and Chase Manhattan added more than \$900 million to their deposits, while the total gain in savings for all U.S. credit unions was \$600 million. **Three of the commercial banks in the U.S. each have more in savings than the entire U.S. credit union movement.** Bank of America, has \$10.6 billion. Chase Manhattan has \$7.7 billion, and First National City of New York has \$7.4 billion. Total savings of members in U.S. credit unions at the end of 1960 was \$4.4 billion.

Highway signs will soon advertise credit unions throughout Wisconsin. Aim is to make credit unions a household word, the Wisconsin League says. Signs read, "Save—Borrow at your Credit union", with a picture of the little man.

Two Canadian credit unions recently **made donations** to spread credit unions in underdeveloped countries. **Moose Jaw Credit Union** in Saskatchewan sent a check for \$500 and

**Winnipeg Terminal Credit Union** gave \$50. World Extension Department of CUNA immediately put the money to work. About forty South American students will profit from credit union seminars to be held in Colombia.

A **family financial counselling program** is now a permanent part of the California Credit Union League program. An initial budget of \$5,000 was set up for the first year.

Two bills spelling out the **tax exempt status** of Missouri credit unions passed the State Senate without a dissenting vote.

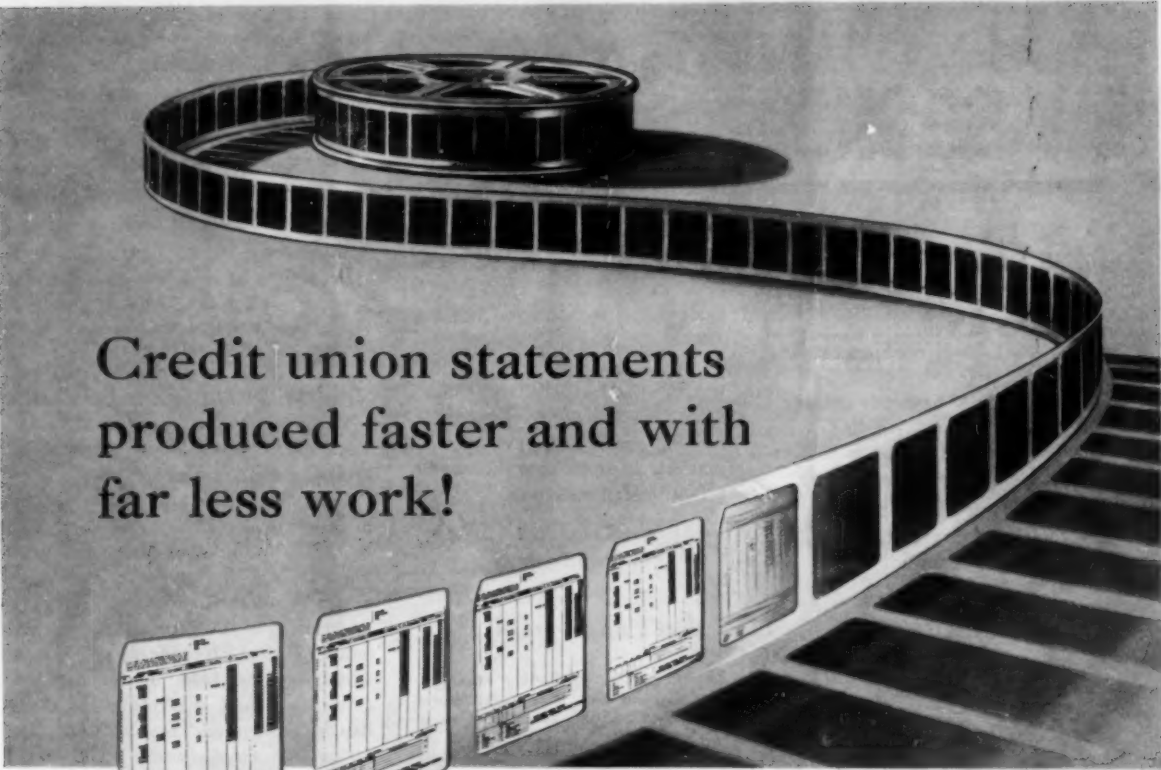
In **Japan**, banks are offering a variety of **consumer credit plans** that will sound familiar to Americans. Department store credit plans are in effect which allow charge accounts to be paid through the bank, and shoppers' credit cards are offered. You can even get a "Dream Loan" by depositing 20% of the amount needed in the bank, getting a loan for the balance. Security is required on these loans, which are used to buy cars, a house, television sets or other consumer durable goods. Interest charge is 5.5% per annum.

**Utah Credit Union League** has published a paper-bound book of **letters endorsing credit unions** from outstanding leaders in industry, church, and education.

In a CUNA statement to the **U.S. Senate Foreign Relations Committee** H. Vance Austin, CUNA managing director said, "We believe our success in extending the credit union idea to so many lands in so short a span provides convincing proof of what can be done with limited resources to plant the seed of economic self-help among the needy and dispossessed."

In **Montreal, Quebec** a discount store is offering **no-down-payment** car deals. For thirty \$44 monthly payments you can buy a \$1,200 German-built Gogomobile. Another local store offers Austin 850 models with a down payment as low as \$8.50.

A state educational assistance authority has been enacted recently in Virginia, under which banks can make **loans for college expenses** under an 80% guaranty. Any resident of Virginia is eligible for loans up to \$750 in any year, with an overall maximum for all years at 4.5% interest.



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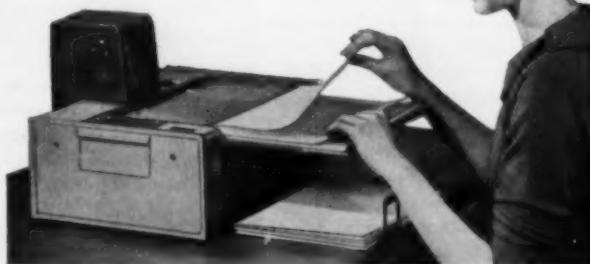
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# NEW BOOKS

## *Antigonish Story*

**THE CAMPUS AND THE COMMUNITY:** The Global Impact of the Antigonish Movement. By Alexander Laidlaw. 173 pp. Montreal: Harvest House \$2.75 paper.

Credit union people frequently ask, "What is the Antigonish Movement?" This new book by Alex Laidlaw is an up-to-date, easy-to-read and inspiring answer to that question.

The story of the Antigonish Movement, described by the author as the "blending of adult education, Christian ethics, and a program of social justice directed through a university extension department," is an exciting one of how people with hope and determination were able, with the added ingredient of education, to change their economic life. The formation of credit unions is a key factor in that program, which had its beginnings in Nova Scotia at St. Francis Xavier University.

The Antigonish Movement was blessed with great leaders. There was the dynamic and humble Father Tompkins; the long-time director, and visionary Dr. M. M. Coady; and the towering, powerful Scotsman with the genius of organization, A. B. MacDonald.

These men worked not in the quiet university laboratory; their testing grounds were the unyielding land of the discouraged Maritime farmer, and the turbulent coastal seas against which the impoverished fisherman battled for a catch he could never market advantageously because he lacked the education to organize and negotiate. This laboratory extended as well to the dirty, damp, and dangerous coal fields of Cape Breton.

Little wonder then that the leaders were strong, fearless men, for only the courageous would dare enter such a laboratory. Nor was the classroom a conventional one; it was rather the kitchen of the farmer or fisherman.

Today the campus is no longer Nova Scotia but the world, where it has become known that the tried and proven principles and methods taught

at St. Francis Xavier hold the secret to a better way of life.

It is significant to note that starting in 1962, at St. Francis Xavier University at Antigonish, an annual credit union school is being sponsored by the Maritime Council of Credit Union Leagues, the Coady International Institute and the Credit Union National Association.

(Book available through CUNA Supply Cooperative.)

## *Love and Cooperation*

**MAN IN PROCESS** By Ashley Montagu. 313 pp. Cleveland and New York: World Publishing Co. \$4.50. Toronto: Nelson, Foster & Scott \$5.25.

"To love thy neighbor as thy self is not simply a good text for Sunday morning sermons but perfectly sound biology. Men who do not love one another are sick." Ashley Montagu, the noted anthropologist, in this collection of essays points out that the progress of all animal and human life has depended on mutuality, on love and cooperation.

Credit union leaders who through their credit union work are trying to improve the state of the world in some small way, will find much to ponder here. Since Montagu tells us that by far most of our behavior is learned, and man is "infinitely educable," we are encouraged to think that there is still hope of "teaching the value of man as superior to the value of the dollar."

The habit of thinking of evolution in terms of survival of the fittest is an incorrect view of the facts, Montagu says. Biological studies show that cooperation is the most important factor in the survival of animal groups. This doesn't preclude a "healthy nonruthless competition", though. Actually these forces work together. In such a climate, true individual personality develops, as opposed to "rugged individualism."

The essays are of uneven quality and range over a wide field, and all are not easy to follow, as they pre-

sume breadth of background in the social sciences. Nevertheless there is much of value here for the serious reader who is willing to stretch his mind a little. The person who wants to deepen his understanding of why he is devoting his life to credit union work should find it worth the effort.

## *'Answer' to Vance Packard*

**THE SPENDERS** By Stuart Henderson Britt. 293 pp. New York: McGraw-Hill \$4.95

This book is frankly an apology for American advertising, and evidently is intended as a rebuttal to Vance Packard's *The Hidden Persuaders* and *The Wastemakers*.

Packard probably is overly critical of American selling methods, but Britt goes to the other extreme, claiming, "Only a tiny percentage of businesses resort to shoddy practices . . . Practically all businesses are run on honest, ethical principles." This seems naive, coming from a professor of advertising and marketing, as does Britt's challenge: "Try to find distortions of truth in the advertising of most foods, appliances, household furnishings, clothing, rail and air services, insurance, and you'll have to search quite a while."

But *The Wall St. Journal* reports, "There's evidence that misleading ad claims and other abuses may be rising as competition for the consumer's dollar grows more intense", in an article telling that the Better Business Bureau is putting on more help to handle complaints, which numbered 2.6 million in 1959, and were higher in 1960.

References to consumer credit in the book are extremely minor and trite, which is strange, since credit is a major sales tool.

While this book contains a lot of interesting statistical information actually it's a one-sided, shallow treatment of a serious social question.

## *Safer Checks*

**CHECK SMART** By Larry Langhway. 50 pp. paper. Business Protective Assoc. 617 S.W. 31st St., Oklahoma City 9, Okla. \$1.

Losses in the U.S. through forgery and mishandling of checks are estimated at \$500 million annually. This booklet is packed with do's and don'ts for safer check writing and handling. Liberally illustrated.

The Credit Union Bridge



# KNOW YOUR INSURANCE



## #2 of a series FACTS ABOUT CHattel LIEN NON-FILING INSURANCE

Chattel Lien Non-Filing Insurance is frequently misunderstood. The following information will help your credit union officials to understand the coverage, and to decide if their credit union needs it or not.

The purpose of Chattel Lien Non-Filing Insurance is to save your treasurer the trouble of recording chattel mortgages. It offers essentially the protection which filing the chattel mortgages provides.

### WHAT IT DOES

Chattel Lien Non-Filing Insurance protects your credit union against monetary loss resulting from this situation only: when mortgaged property cannot be repossessed because no lien instrument was filed or recorded. The insurance protects your credit union up to the actual cash value of the chattel at the time the loss occurs.

At the same time, Chattel Lien Non-Filing Insurance eliminates the time and work connected with filing and releasing liens. It frequently reduces the expense of handling chattel mortgages.

All types of chattel mortgages normally made by your credit union are covered. Available limits cover single loans up to \$3000, \$5000, or \$7000. *But the insurance does not apply to mortgages on crops.*

### WHAT IT DOES NOT DO


Chattel Lien Non-Filing Insurance is NOT credit insurance. It does not protect your credit union against prior liens, nor against any situation in which the borrower cannot legally mortgage the property. Your credit union must determine for itself that all titles are clear and unencumbered.

Nor is this insurance a collection bond. The credit union must follow regular collection procedures for delinquent loans. When presenting a claim, the credit union must locate the chattel and the debtor.

Other limitations: Chattel Lien covers no loan made before the effective date of coverage. *Nor does it cover any loan exceeding 60 months, nor any loan where the principal is more than the limit of coverage purchased.*

### RESEARCHING YOUR INSURANCE NEEDS...

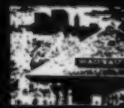
Your CUNA Insurance Services Department's job is to help your credit union and your league evaluate and obtain the insurance protection it needs. Ways to improve coverage and to broaden existing protection are continuously under study.



**CLIP THIS PAGE**  
and file it in a special notebook. This series of ads will provide you with a valuable handbook of credit union insurance information.

**CUNA Insurance Services Department**  
Madison, Wisconsin • Hamilton, Ontario

UNDERWRITTEN BY EMPLOYERS MUTUALS OF WAUSAU

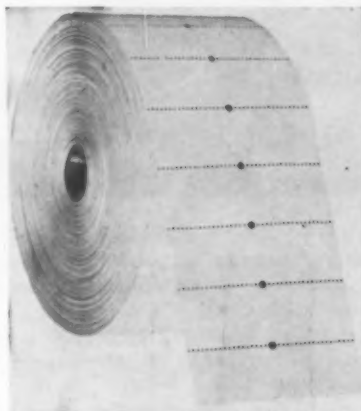


# NEW IDEAS

*New products and equipment which may be useful to credit unions will be listed in this column. No endorsement is suggested; make your own evaluation after investigating.*

## Mobile Filing Cabinet

Cart for most-used records, on-the-job filing, mail distribution, etc. Rust-proof metal finished in baked enamel and chrome. All filing compartments easily removable. \$59.50 f.o.b. Minneapolis. Full information including cost of folders, etc., from W. A. Charastom Co., 422 South 7th St., Minneapolis 15, Minn.



## Nevacurl Mailing Labels

Perforated labels in rolls for mailing offer exact one inch spacing, center punch for Cheshire. Fits Addressograph, Elliot, Scriptomatic, Speedam, and Pollard-Alling addressing machines; can be machine or hand fed, or typed. Manufacturer claims labels can be stored for years without curling or glueing to each other. Information and samples from Nevacurl Label Co., 756 Fourth Ave., Brooklyn 32, N.Y.

## Adjust-A-Matic Chair

The Adjust-A-Matic office chair has a seat split in two equal sections, which adjusts to body movements. Manufacturer claims it relieves fatigue, ups production. Information from local Remington Rand dealer.

# WATCH OUT FOR REFERRAL SALES RACKET

Referral selling is a racket commonly used by certain types of house to house salesmen, who tell you you will get a big discount if you refer them to a certain number of friends. They are likely to give you quite a lecture on the high cost of advertising, and explain that their company has found a way to eliminate the cost of advertising by getting customers to help sell their products.

Then it turns out that you have to help sell six friends, each of whom has to help sell six friends, and so on, in a chain letter effect. This thing would quickly lose momentum, just as chain letters do, because when you keep multiplying by six you quickly run out of people. Here's the way the number 6 expands if you keep multiplying it by 6:

6  
36  
216  
1,296  
7,776  
46,656  
279,936  
1,679,616  
10,077,696

## CLASSIFIED

**POSITION WANTED:** Well-qualified middle-aged man seeks position as managing director of a credit union league. Write Box A-80, The Credit Union Bridge, Madison, Wisconsin.

**FULL-TIME ASSISTANT** treasurer-manager wanted by Illinois credit union. Man of credit union experience and philosophy desired. This credit union has one million in assets, and does not have payroll deductions. Applicants state salary desired in first letter. References required; interviewing will be done by mail. Write Box A-81, The Credit Union Bridge, Madison, Wisconsin.

**SPECIAL SERVICES DIRECTOR** wanted by Indiana Credit Union League. Duties of this newly-created position include management service to large credit unions and management of a proposed league stabilization program. Write Clarence Clarkowski, managing director, Indiana Credit Union League, 6913 E. 10th Street, Indianapolis 19, Indiana.

**BOOKKEEPING MACHINE**, National Series 2000, for sale. Perfect condition. Write or call Mrs. Eleanor Vance, treasurer, RAC Credit Union, 8700 Page Blvd. St. Louis 32, Mo. Phone HA-7-6100, extension 287.

**POSITION WANTED:** Treasurer and manager of \$1½ million credit union seeks similar position in the Southwest or West Coast, preferably California or Texas. Age 50, married, one child. Has served as assistant to comptroller of large research firm, and earlier as chief accountant, assistant chief accountant, office manager, credit man, and general and cost accountant for private firms and military installations. Active in California chapter and league affairs; desires to devote career to credit union work. Salary to be negotiated. Write F. W. Kelley, 10840 Hortense st., North Hollywood, Calif.

## WANT BRIDGE REPRINTS?

Reprints of recent Bridge articles are available in two forms: low-cost Xerox reproduction and offset printing.

Xerox Prices		Offset Prices	
100 (minimum)	20¢ each	500 (minimum)	20¢ each
250	15¢	1,000	15¢
500	10¢	2,000	10¢
1,000	7¢	3,000	8¢
2,500 and more	5¢	5,000 and more	5¢

Postage is additional. Delivery time is two weeks for Xerox, one month for offset. Write to The Credit Union Bridge, P.O. Box 431, Madison 1, Wisconsin

# LOAN DEMAND VS SAVINGS

*Some frank talk about the future of the movement from the director of the Bureau of Federal Credit Unions*



J. DEANE GANNON

AS YOU WELL KNOW, the Federal Credit Union Act was substantially revised during 1959. The stimulation of this modern credit union law together with other factors have brought to our attention some very interesting signs which I would like to discuss quite frankly with you. Again in 1960 demands for loans continued strong—in fact members of federal credit unions borrowed nearly \$3 billion. Reflecting the longer maturities permitted under the 1959 Act, loans outstanding increased at a faster rate in 1960 than did loans made during the year. Further, and presumably because loans are being made for longer periods, the average loan made in 1960 was 10 per cent larger than the 1959 average (\$653-\$593). Actually there had been some evidence that loan maturities had been increasing even before the 1959 change in the law. During both 1959 and 1960 the increase in total loans outstanding was actually more than the increase in share capital with the result that some federal credit unions liquidated their

holdings of U.S. Government obligations and shares of savings and loan associations while others borrowed 22 per cent more money, and the amount of notes payable for Federal Credit Unions represented the largest proportion of total liabilities in ten years (2.7 per cent).

Stated another way, we find that total shares have increased 5.4 times since 1950 while loans outstanding showed an increase of 6.6 times. All of this seems to indicate that as credit unions move into the '60's, the measure of their success will be in terms of being able to accumulate sufficient share capital to meet the loan needs of the members.

## Thrift Is Primary

Certainly since credit unions have as their primary objective the promotion of thrift, this should be an easy task. However, there are some factors that make it appear otherwise. First of all, this is the area in which competition is the greatest. Commercial banks, mutual savings banks, savings and loan associations, life insurance companies and the U.S. Treasury Department all are exerting great efforts to urge people to save money and, quite naturally also to direct such savings to their particular institutions. Large advertising budgets support these efforts:

## Bank Expenses

On the local level during 1960 commercial banks spent about \$42,500,000 for advertising savings; mutual savings banks spent about \$17,000,000 or a combined average of \$4,000 per bank.

Savings and loan associations spent \$78,500,000 on local advertising—an average of \$12,600 per association.

On the national level the Savings and Loan Foundation is sponsoring a \$2 million program this year sup-

ported by 1,900 local associations at \$1,000 each.

The Foundation for Commercial Banks has a national advertising campaign of \$650,000 to which 6,500 commercial banks pledged \$100 each.

The New York Stock Exchange spends about \$1,500,000 per year on national advertising and the Institute of Life Insurance spends about the same amount.

## Beyond CU Means

Of course credit unions cannot even dream of such advertising expenditures, but even aside from advertising I think that, in general, credit unions are doing much less than the others in the area of thrift promotion and that credit unions may have been lulled into complacency by virtue of the overall annual increases in shares and



IS SOMETHING  
MISSING  
FROM THIS PICTURE?

the pride of being considered the "fastest growing" financial institutions. Let's take a closer look:

Between December 31, 1955 and December 31, 1960 the savings and loan associations have increased their share of the investments of individuals in savings accounts, savings bonds and life insurance reserves from 13.6% to 19.8%; commercial banks from 19.7% to 21.5% and credit unions from 1% to 1.5%. Mutual savings banks slipped from 11.9% to 11.5%—U.S. Savings bonds lost ground, too, from 17% to 13.6% and Postal Savings dropped from 5.1% to 1.1%. On a percentage basis we look good indeed—however we do account for only 1½% of the total savings—greater only than Postal Savings which system is being liquidated.

This distribution may indicate many things. The most obvious are that credit unions do face formidable

competitors for the savings of individuals, and secondly that unless credit union officials do something about it credit unions will, on the basis of projected loan demands, run out of share capital in a short time.

### Federal and State

Some of you have heard me discuss share account distribution in Federal credit unions, which we found was also comparable to that of the State-chartered credit unions in Ohio. The latest sampling (June 1959) indicated that more than two-thirds of the total shares were in 11 per cent of the accounts. In 1953 we found that 27 per cent of the share accounts were in amounts of less than ten dollars. Now don't these statistics suggest that we may *not* be successfully promoting thrift? Rather we may have, in our credit unions, provided an attractive investment to the fewer individuals who have larger sums available and who are attracted by dividend return. Last year, 29 per cent of federal credit unions paid dividends of 5 per cent and more—while 73⅓ per cent paid 4 per cent and more. Certainly these returns compare favorably with other sources for investment and would seem to indicate that dividend yield does not of itself turn credit union members to the other sources for investment.

### Other Difficulties

This type of adverse share distribution presents other difficulties. We have found from experience that in those cases in which a credit union pays less in dividends, or no dividends, or otherwise may appear to be in trouble, the early withdrawals are in the large share accounts. These situations then reflect many new problems, such as reducing cash funds which would otherwise be available for loans, and further curtailing share withdrawals by others who may have a real need for the funds. Credit unions with adverse share account distribution actually need a higher rate of liquidity to accommodate any such emergency.

### Need Answers

Perhaps through analysis of your credit union you may find the answers to some of these questions:

Why do 89 per cent of the members fail to save regularly in the credit union? Is it because we fail to motivate them to save? Do they lack con-

fidence in the credit union? Is this because of lack of understanding of the credit union philosophy of self-help, or because of the lack of deposit insurance which attracts them to banks and savings and loan associations?

What features have attracted the 11 per cent who hold the two-thirds of total shares? What can we learn from them that in turn may be used to attract others?

The answers to these questions are so necessary if we are to understand the members' attitudes and then further to adopt policies and procedures which will result in an active and productive promotion of thrift in credit unions.

### Owed to Members

Beyond them, however, is our obligation to each member to help him achieve his greatest potential of economic security through his credit union savings program.

As you discharge your duties with your credit union, do you get the feeling that we need to do something more to maintain membership interest in credit unions? If you stop to think for a moment you will find that there are a number of mutual organizations which have over a period of years experienced a substantial change in the concept of membership, and in some of them it is most difficult to any longer identify a membership interest as we have known it in credit unions. In my opinion the officials and all others interested in the future of credit unions have a real challenge in both developing and maintaining membership interest so as to preserve the democratic concept of the credit union.



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ENOUGH CU DAY POSTERS!**

**Order now—no charge!**

CUNA PR Dept. PO Box 431  
Madison 1, Wisconsin.

Please send \_\_\_\_\_ posters to:

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credit union \_\_\_\_\_

address \_\_\_\_\_



**Remember those in need across  
the world. Every \$1 sends one  
gift package thru the CARE  
Food Crusade, New York 16, N.Y.**

**The Credit Union Bridge**



# Everybody's money

*A Magazine for Credit Union Members*



**NEW! A colorful,  
pocket-sized magazine  
published especially  
for your members!**

**Start your subscription  
with the new fall issue,  
out September 15.**

This easy-to-read magazine is filled with valuable information:

- Wise buying tips
- How the credit union works
- Credit costs
- Budgeting
- Credit union ideals, history
- Money saving ideas

You can give this attractive, 32-page magazine to your members four times a year for only 25¢ a member! (Bulk orders only; 50 subscriptions a minimum. That's how we can offer it at such a low price.)

Published Sept. 15, Dec. 15, Mar. 15,

June 15. Perfect for mailing with members' statements, dividend notices, distribution at annual meetings. The whole family will read EVERYBODY'S MONEY — and save it for reference, too. That adds up to real member education plus year round

promotion for your credit union. Want us to mail direct to members' homes? We can, if you furnish addresses printed on a continuous roll each quarter. Cost is 10¢ extra per member per year. (We send full instructions when we get your order.)

## **Avoid disappointment!**

The demand for this new magazine was so great we ran out of the summer issue, and many subscribers had to wait for their first copies until the fall issue, which is out Sept. 15. We'll do our best to fill all orders, but you can ensure starting with the next issue by sending your subscription without delay.

### **Mail to:**

#### **EVERYBODY'S MONEY**

CUNA P. O. Box 431 Madison 1, Wis.

September, 1961

**YES! We'd like EVERYBODY'S MONEY for our members.**

- ☐ Here is our order for ..... subscriptions (minimum order 50) at 25¢ a year for four issues, mailed in bulk to our credit union.
- ☐ Here is our order for ..... subscriptions (minimum order 50) at 35¢ a year for four issues, mailed to members' homes. We will supply addressed mailing strips one month before each quarterly mailing.

Enclosed is check for \$.....

Credit Union .....

Address .....

City ..... Zone ..... State or Prov. ....

# COMING EVENTS

September 7-9—**Florida** Credit Union League annual meeting, Deauville Hotel, Miami Beach.

September 10-14—**Fifth District CU Management Conference**, Velda Rose Motel, Hot Springs, Arkansas.

September 15-16—**Maine** Credit Union League annual meeting, Samoset Hotel, Rockland.

September 15-16—**Wisconsin** Credit Union League annual meeting, Schroeder Hotel, Milwaukee.

September 24—**West Indian** Confederation of Credit Societies annual meeting, Port of Spain, Trinidad, British West Indies.

September 28-30—**Indiana** Credit Union League annual meeting, Sheraton Hotel, French Lick.

French Lick.

October 1-3—**New South Wales** Credit Union League annual meeting, Sydney.

October 19—**Fiji** Credit Union League annual meeting, Yavulo, Sigatoka.

October 20-21—**Kentucky** Credit Union League annual meeting, Kentucky Hotel, Louisville.

November 3-5—**California** Credit Union League annual meeting, Biltmore Hotel, Los Angeles.

November 16-19—**Missouri** Credit Union League annual meeting, Sheraton-Jefferson Hotel, Saint Louis.

January 18-20, 1962—Credit Union League of **Manitoba** annual meeting, Marlborough Hotel, Winnipeg.

January 27-28—**Utah** State Credit Union League annual meeting, University of Utah, Salt Lake City.

February 19-22—Credit Union League of **Saskatchewan** annual meeting, Bessborough Hotel, Saskatoon.

March 2-3—**North Dakota** Credit Union League annual meeting, Memorial Building, Jamestown.

March 9-10—**Mississippi** Credit Union League annual meeting, Buena Vista Hotel, Biloxi.

March 10—**Connecticut** Credit Union League annual meeting.

March 15-17—**Ontario** Credit Union League annual meeting, Royal York Hotel, Toronto.

March 22-24—**Oklahoma** Credit Union League annual meeting, Mayo Hotel, Tulsa.

March 23-24—**Oregon** Credit Union League annual meeting, Multnomah Hotel, Portland.

March 23-24—**Rhode Island** Credit Union League annual meeting, Sheraton-Biltmore Hotel, Providence.

March 23-24—**Texas** Credit Union League annual meeting, Moody Convention Center, Galveston.

March 24—**Maryland** Credit Union League annual meeting, Lord Baltimore Hotel, Baltimore.

April 5-7—**Nebraska** Credit Union League annual meeting, Sheraton Fontenelle Hotel, Omaha.

April 5-7—**Virginia** Credit Union League annual meeting, Hotel Roanoke, Roanoke.

April 6-7—**Alberta** Credit Union League annual meeting, MacDonald Hotel, Edmonton.

April 6-7—**Arkansas** Credit Union League annual meeting, LaFayette Hotel, Little Rock.

April 6-7—**South Carolina** Credit Union League annual meeting, Francis Marion Hotel, Charleston.

April 6-8—**New Jersey** Credit Union League annual meeting, Ambassador Hotel, Atlantic City.

April 6-8—**South Dakota** Credit Union League annual meeting, Armory, Watertown.

April 13-14—**Colorado** Credit Union League annual meeting, Shirley-Savoy Hotel, Denver.



It's your Board that's responsible for selecting (or supervising the hiring of) a dependable staff, and for defining their duties. Here are some questions to keep in mind:

1. Have you checked on the job applicant's background and previous employment? Do you know enough about his personal living habits?
2. Are the responsibilities of the job and its lines of authority clearly defined?
3. Are closely related employees separated at work, so that collusion is difficult?
4. When your employees take vacations, does the office remain open? Are their jobs filled?
5. Do you pay adequate wages to keep employees honest?

Your credit union is eligible for Maximum Form 576 Blanket Bond protection with a limit equal to the total assets up to \$1,000,000 (or optionally \$2,000,000). Learn how the 576 Bond outperforms all previous bonds.

WRITE FOR 576 BONDING FOLDER

**CUNA Insurance Services**

**BONDING**

Madison, Wisconsin • Hamilton, Ontario

# the 1962 Credit Union WALL CALENDAR



SIZE  
9" x 12"

• PLENTY  
OF  
DAILY  
MEMO  
SPACE

• EXCLUSIVE  
TWO-COLOR  
DESIGN

• EASY-TO-READ  
CALENDAR  
DATES

• CREDIT UNION  
CARTOON  
FOR  
EVERY MONTH

Here's the 9" x 12" wall calendar that's tailor-made for the member's home or office, featuring 12 different "round-the-world" credit union cartoons with informative captions. Satisfaction is guaranteed. Order now for early delivery at reasonable prices shown. Imprints and mailing envelopes available.

## PRICES

(for affiliated credit unions only)

100-499 \$15.00 per 100	1000-1999 \$13.00 per 100
500-999 \$14.00 per 100	2000 up \$12.00 per 100

# ORDER THESE 1962 CALENDARS

# NOW

# FOR YOUR MEMBERS!

# the 1962 Credit Union DESK CALENDAR

- FEATURES 1962  
CARTOON SERIES
- EASEL-TYPE  
DESIGN, WITH  
STURDY PAPER-  
BOARD STAND
- NO EXTRA  
CHARGE FOR  
ENVELOPES



Here's the matching 6½" x 4½" desk calendar, featuring the same 12 exclusive cartoons and captions in smaller, stand-up form. Mailing envelopes supplied for desk calendars without charge. For early delivery, use the coupon below to order now. Imprints available as shown. Satisfaction is guaranteed.

USE THIS HANDY  
ORDER  
FORM

for affiliated credit unions only

100-499	\$20.00 per 100
500-999	\$19.00 per 100
1000-1999	\$18.00 per 100
2000 up	\$17.00 per 100

MAIL TO: CUNA SUPPLY COOPERATIVE, BOX 333, MADISON 1, WISCONSIN

## WALL CALENDARS

Calendars only. Minimum order 100.  
See prices.

Imprinted hangers. (extra and optional)  
@ \$1.10 per 100, plus \$3.50 for  
typesetting (include copy below)

Kraft envelopes (extra and optional) @  
\$2.00 per 100

Mailing cardboards (extra and optional)  
@ \$2.00 per 100

QUANTITY AMOUNT


**IMPORTANT** Shipment will be made from factory. To simplify record keeping, we request that you pay "Collect" shipping charges. Allow 3 to 4 weeks for delivery.

Ship to: \_\_\_\_\_

Address: \_\_\_\_\_

## DESK CALENDARS

Calendars only. Minimum order 100.  
See prices.

Imprint (extra and optional). Add \$3.50  
to order.

TOTAL AMOUNT

- ☐ Check for \$\_\_\_\_\_ enclosed.
- ☐ Please bill us for full amount.

## IMPRINT INFORMATION

If imprint is ordered, write here exact name and address  
information desired:



## 5 ways to help a family feel more secure

How the unique advantages of life insurance can provide a sound base for a family's future—assuring peace of mind at the stroke of a pen.

**1 By providing adequate protection against life's uncertainties.**

With life insurance, a family is protected right from the start. For only life insurance guarantees, at the stroke of a pen, an amount of money far greater than most couples could save in many years.

**2 By safeguarding the home.**

A prudent husband safeguards the home his family loves by owning enough life insurance to take care of any unpaid mortgage. Life insurance guarantees this protection.

**3 By setting up a plan for college education.**

Parents can make sure that their children will go to college by figuring what it will cost, then arranging their life insurance to take care of college expenses.

**4 By making it possible to accept new job opportunities with confidence.**

The risks of a new business or job opportunity can be assumed more readily when the family is protected by life insurance. And with life insurance, husband and wife know in advance exactly how much money will be available for an emergency.

**5 By providing a steady retirement income.**

A husband and wife can get more pleasure from their later years when they plan their life insurance to provide a steady income which will last for both their lifetimes.

*The wise family head carefully estimates his family's future needs, then plans his life insurance accordingly. Since family circumstances often change, many couples review their programs with their life insurance agent each year. In this way, they get the most from the unique advantages of their life insurance.*

**Institute of Life Insurance**

488 MADISON AVENUE, NEW YORK 22, N. Y.

When someone's counting on you . . . you can count on life insurance



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